



**FSC Certification Report for the  
2006 Annual Audit of:  
State Forest Lands Managed by the  
Michigan Department of Natural Resources  
Certificate Number: SCS-FM/COC-090N**

**Under the  
SCS Forest Conservation Program  
(An FSC-Accredited Certification Program)**

**Date of Field Audit: October 23-27, 2006  
Date of Report: December 29, 2006**

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Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website ([www.scscertified.com](http://www.scscertified.com)) no later than 60 days after the report is finalized.

## **1.0 GENERAL INFORMATION**

### **1.1 CONTACT INFORMATION**

Michigan Department of Natural Resources  
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Contact: Dennis Nezich, Forest Certification Specialist  
Email: nezichd@michigan.gov

### **1.2 General Background**

This report covers the first annual audit of Michigan Department of Natural Resources (MI DNR) pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in December, 2005 (SCS-FM/COC-090N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website [www.scs-certified.com](http://www.scs-certified.com).

Pursuant to FSC and SCS guidelines, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or corrective action requests
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

Prior to the 2006 annual audit, a special surveillance audit was conducted on March 7-10, 2006. This special surveillance audit was planned at the time of the October 2005 main certification assessment and was undertaken for the following purposes:

- Enabling the certification bodies (SCS and NSF-ISR) to assess MI DNR's direction and pace of response to the Corrective Action Requests (CARs) attached to the award of certification, particularly those CARs with near-term conformance dates
- Providing MI DNR with feedback both on their early stage responses to the CARs as well as to what is expected of a certificate holders in a surveillance audits; it that regard, this special surveillance audit served as a training mechanism designed to enhance the efficacy and efficiency of DNR's preparation for a surveillance audits, generally.

The auditors for the special surveillance audit were Dr. Robert J. Hrubes, SCS Senior Vice President and Lead Auditor, and Mr. Michael Ferrucci, NSF-ISR Senior Forest Auditor.

At the time of the special surveillance audit there were 12 open Corrective Action Requests (CARs). The focus of the special surveillance audit was the status of those CARs with near term conformance dates and to review progress made on the remaining CARs. The evaluation resulted in the closure of one CAR at that time. Subsequent responses by MI DNR resulted in the closure of an additional 5 CARs prior to the 2006 annual audit.

The status of MI DNR response to the remaining 6 open CARs was a major focus of the 2006 annual audit. See discussion below for a listing of all 13 CARs issued with initial certification and their disposition as a result of this annual audit.

### **1.3 Guidelines/Standards Employed**

For this annual audit, the SCS auditor team evaluated the extent of conformance with the FSC Lake States-Central Hardwoods Region Standards v3.0. Notably, the Lake States-Central Hardwoods Regional Standard was endorsed in February 2005. Per FSC protocols, all existing certificate holders Lake States-Central Hardwood region have one year from the date of endorsement to be found in conformance with the regional standard. Accordingly, the October 2006 annual audit was conducted against the new standard (v3.0), so as to provide ample and early notification to MI DNR of any non-conformances.

## **2.0 SURVEILLANCE DECISION AND PUBLIC RECORD**

### **2.1 Assessment Dates**

On October 23-24, 2006 an SCS audit team (Hrubes, Ferrucci, and Griffin) conducted the 2006 annual audit of MI DNR

Prior to the 2006 annual audit the following audit activities were undertaken:

- October 20, 2006, Sterling Griffin conducted phone interviews with representatives of stakeholder groups including the Newberry Tourism Association, Sierra Club, and the Michigan Lumberman's Association.
- September 15, 2006, Dr. Hrubes conducted conference call with MI DNR to review evidence previously submitted in response to Corrective Action Requests
- August 3, 2006, Dennis Nezich, MI DNR Certification Specialist, submitted (via email) 6 documents in response to CAR 2005.5
- August 3, 2006, Dennis Nezich submitted 3 documents in response to CAR 2005.13
- July 20, 2006, Dennis Nezich submitted 2 documents in response to CAR 2005.1
- July 20, 2006 Dennis Nezich submitted 4 documents in response to CAR 2005.8
- July 20, 2006, Dennis Nezich submitted 2 documents in response to CAR 2005.10

- July 17, 2006, Dennis Nezich submitted 2 documents in response to CAR 2005.11
- April 20, 2006, Dr Hrubes and Mike Ferrucci conduct conference call with MI DNR to discuss progress made in response to CAR 2005.9
- March 14, 2006, Larry Pederson submits memo committing to provide written summary of progress on CAR 2005.1
- March 7-10, 2006, Dr. Robert Hrubes and Mr. Mike Ferrucci conduct special surveillance audit. The audit consisted of the following activities:
  - March 7, Review of documents
  - March 8, Full day of group discussions and status reports on CARs at DNR headquarters in Lansing
  - March 9, Review Grayling FMU with staff interviews
  - March 10, Review Newberry Service Center and FMU with staff interviews
- December, 2005, initial certification awarded

## 2.2 Assessment Personnel

For the 2006 annual audit, the audit team was comprised of Dr. Robert J. Hrubes, Mr. Michael Ferrucci, and Mr. Sterling Griffin. Both Dr. Hrubes and Mr. Ferrucci were part of the 2005 full evaluation, thus providing for good continuity.

**Dr. Robert J. Hrubes, Team Leader:** Dr. Hrubes is Senior Vice-President of Scientific Certification Systems. He is a registered professional forester and forest economist with 27 years of professional experience in both public and private forest management issues. He served as team leader for the initial MI DNR Forest certification evaluation. Dr. Hrubes worked in collaboration with SCS to develop the programmatic protocol that guide all SCS Forest Conservation Program evaluations. Dr. Hrubes has led numerous SCS Forest Conservation Program evaluations of North American (U.S. and Canada) industrial forest ownerships, as well as operations in Scandinavia, Chile, and Japan. He also has professional work experience in Brazil, Germany, Guam (U.S.), Hawaii (U.S.), and Malaysia. Dr. Hrubes is the co-author of this audit report.

**Mr. Michael Ferrucci, Team Member (Forest Management and Silviculture):**

Michael Ferrucci is a founding partner and President of Interforest, LLC, and a partner in Ferrucci & Walicki, LLC, a land management company that has served private landowners in southern New England for 17 years. Its clients include private citizens, land trusts, municipalities, corporations, private water companies, and non-profit organizations. He has a B.S degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mr. Ferrucci's primary expertise is in management of watershed forests to provide timber, drinking water, and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the eastern United States. He also lectures on private sector forestry, leadership, and forest resource management at the Yale School of Forestry and Environmental Studies.

**Mr. Sterling Griffin, Team Member:** Sterling Griffin is a Certification Forester with Scientific Certification Systems. He is a Registered Professional Forester in the State of California with 8 years professional experience in public and private forest management. After graduating from Purdue University with a B.S in Forestry, his professional career began with the U.S. Forest Service where he spent 5 years working in inventory, fire use, silviculture, and ecosystem research. Areas of research activities included stand level response to vegetative competition and long-term ecosystem productivity (LTEP) in the Pacific Northwest. Prior to joining SCS, he was the founder of a private consulting firm in Northern California specializing in sustained yield management, fuel reduction, and forest health management. He is the co-author of this report.

## **2.3 Assessment Process**

The scope of the 2006 annual audit, as with all annual audits, included document review, auditors spending time in the field and office, interviewing management personnel and, as appropriate, interacting with outside stakeholders.

Prior to the annual audit, all past audit reports, stakeholder comments, and previously submitted documents by MI DNR were reviewed to ensure audit team members had a comprehensive background for the 2006 evaluation. During the audit many additional supporting documents were supplied to the team and reviewed by the auditors. Most of these documents were used to determine responses to CARs or to determine continued conformance to FSC standards.

Many meetings and interviews occurred during the field and office visits. Meetings at the Marquette, MI, central office included formal presentations by MI DNR staff to present responses to Corrective Action Requests. Following each presentation, a question and answer session occurred between the presenter, DNR staff members, and the audit team. Field staff was interviewed during the field visit portion of the interview, allowing auditors to ask questions relating to field operations and standard operating procedures.

Forest Management Units (FMUs) selected by the audit team prior to the audit were visited to assess continued conformance. Lead Auditors Robert Hrubes (FSC) and Mike Ferrucci (SFI) reviewed the prior field and office visits and the open Corrective Action Requests (CARs) to determine the field and office visits for the 2006 Audit. The Western Upper Peninsula (UP) was determined to be the best focal area for the following reasons:

1. It had the largest concentration of Forest Management Units (FMUs) with lower sample intensity from the previous visits (counting auditor person days);
2. It provided the opportunity to assess progress in management planning in both the eastern and western UP;
3. The UP has a more lenient policy towards off-road vehicles, an important issue for some stakeholders, and
4. It provided the audit team a further opportunity to follow up on a range of stakeholder issues.

A list of field sites was selected by the two lead auditors with the support of Michigan DNR staff. The protocol included some random selections and some clustering of field sites based on the initial random samples and the need to assess certain key issues, including:

- Aspen management
- Road maintenance
- Resource Damage Reporting system
- Hardwood management
- ORV issues
- Deer management

The initial sample population was the compartment, with a focus on 2004, 2005, and 2006 “Year of Entry” compartments. Maps were provided by MDNR of all compartments and all active and open sales, as well as special sites including stands coded “8” for Special Conservation Areas and forest treatment proposals. A database of harvest sites was also provided. The auditors first selected the compartments for review, and then used a random number generator to prioritize harvests for review.

An initial selection was made by the auditors and sent to MDNR. Additional information provided by MDNR for each of the initial selections regarding the presence of wetlands, wetlands buffers, or stream crossings, and other issues that might affect the selection (for example adjacent areas of potential interest). The lead auditors then made their final selections, guided in part by information from the FMU Managers obtained during conference phone calls.

MDNR staff prepared information packages for all of the selected sales and for additional potential stops involving forest treatment proposals and harvests that might have loggers present on the day of the audit. These information packages were provided to the audit team members when they arrived at each FMU. Mike Ferrucci took the lead on briefly reviewing the selections, given the emerging themes of the audit and any audit trails being followed. He and local staff then organized the field portions of the FMU visits, in consultation with Robert Hrubes.

The following FMUs and sites were visited:

**Tuesday, October 24**

**Crystal Falls FMU**

**Hrubes/Griffin Group**

**Stop 1: Lat. 45.51.945 N, Long. 87.54.678 W**

Far and Away Timber Sale—79 acres

- Trespass/timber theft problem with contractor involving cutting reserve trees, contract suspended immediately
- Timber sale administration and law enforcement
- Cut tree mark, reserve trees not marked and defined in contract specification
- Inspections made 1/week

**Stop 2: Lat. 45.52.385 N, Long. 87.51.207 W**

ORV Management

- ORV designated trail
- Maintained by local club
- FFO responsible for maintenance and mgt. oversight

**Stop 3: Lat. 45.52.206 N, Long. 87.51.930 W**

Patchy ---Thin (Timber Sale)

- Went unsold
- Numerous environmental restrictions
- Poor markets
- Will be re-advertised

**Stop 4: Lat. 45.55.072 N, Long. 87.50.996 W**

Garmin Aspen—Timber Sale

- Discussion of aspen silviculture; retention requirements (all pine oak, cherry)
- FSC plantation forestry? No
- FSC lead auditor concurs this is not plantation forestry; best described as semi-natural forest management
- Purchaser: Minerick Logging, Sub-Contractor: Polar Logging

**Ferrucci Group**

1. Chamber Pot Sale 12-082-04-01: Nearly completed active harvest (no logger on site) marked hardwood selection harvest; limited small gaps
2. Animal Planet Sale 12-066-05-01: Mature aspen planned harvest with significant conifer reserves; protection measures for hawk's nest
3. Spot Lake Road: part of state road system, access to Animal Planet Sale above, observed effects of inadequate drainage; Resource Damage Report filled out by Fire Supervisor assigned moderate to high priority; comments field: "Road needs to be upgraded. Ditches cleaned. Road graded/crowned. Gravel hauled to fill waterholes. Cross drainage culverts installed"
4. Sundown Aspen Salvage Sale 12-069-05-01: 110 acre harvest area, portion of large complex of salvage sales, clearcut with limited retention, some small conifers left as reserves; logger interview with employee of Minerick logging
5. Private temporary bridge on state land to access Bates Lake area for salvage of private and state timber from 2004 blowdown; bridge meets BMPs, although has open decking
6. Bates Lake Salvage Sale 12-057-06-01: area and road obliteration: to respect past informal designation of Bates Lake as a special area (proposal never formalized) the roads will be removed at end of harvest; salvage areas had minimal to excellent retention (some areas partial cuts); large portion of blowdown was not entered for access and protection reasons

7. Michigan Creek Bridge: closed decking put over open bridge 2 weeks ago in response to internal audit; this site had a Resource Damage Report.
8. Smith Creek Bridge Project: this high quality tributary to the Fence River has a plan in place and funding secured for removal of existing culverts and installation of a bridge; some of the funding was previously arranged but most is from reallocated funds pool to deal with road-related BMP issues. Resource Damage Report.
9. Fence River Bridge: closed decking put over open bridge 2 weeks ago in response to internal audit; this site had a Resource Damage Report. The Fence River is considered degraded by Fisheries Division.
10. Various salvage sites (drive by observations) with good results; varying amounts of removal/retention.
11. Nolan Creek Culvert: squash pipe style culvert sized for 100 year flood; well-designed and maintained crossing, meets BMPs and is not a barrier to fish passage
12. McDuff Sale Compartment 127, White Pine Underplant: hardwood stand with white pine underplanting and some natural white pine seedlings, observed deer damage (nipped terminal off) 10% of seedlings;
13. Planned Prescribed Burn in mature White Pine to remove duff layer, kill hardwood understory and prepare site for natural white pine regeneration; waiting for proper burn conditions

### **Wednesday, October 25**

**No field sites were visited; office review only**

### **Thursday, October 26**

**Shingleton FMU**

#### **Hrubes/Griffin Group**

##### **Stop 1: Lat. 46.20.872 N, Long. 86.03.434 W**

Compartment 118—Restoration of meadow/opening complex (ex-Bullock Property)

- Non-commercial removal of invasive trees—using prison crews; labor costs are increasing
- Also commercial harvests of aspen stands; retention policy doesn't apply due to meadow/opening restoration objectives
- Discussion of environmental assessments supporting site-disturbing activities

##### **Stop 2: Lat. 46.20.800 N, Long. 86.13.470 W**

Ducey Spruce/Aspen Timber Sale

- Harvested 12 years ago; now typed A3 (Aspen, well stocked pole sized timber)
- Retention of red and white pine, even 12 years ago (so retention is not a new concept for DNR)

##### **Stop 3: Lat. 46.25.510 N, Long. 86.26.937 W**

Compartment 179—High Bend Hardwood Sale



- Partial harvest operation using mechanized logging equipment
- Logger—Joe Bosanic Forest Products
  - SFI certified
  - No spill kit on site
  - Interviewed 2 employees: Don Richardson, Rudy Nadeau
- Issue of extensive rutting—led to a discussion of the DNR’s rutting policy
- The rutting policy speaks only to maximum allowed depth of ruts (12 inches) rather than also incorporating maximum allowed length of ruts—this is incomplete
- Also spoke with a log buyer from Weyco—Ron Hansen; they purchase only from SFI certified loggers

**Stop 4: Lat. 46.28.798 N, Long. 86.26.168 W**

Compartment 173—North Hardwood Sale (selection harvest)

- Sale was marked by contract marking crew (Upper Michigan Land Mgt.)
  - Marking guided by The Complete Marker
  - All contract markers must be certified by DNR
  - The new retention guidelines will be included in next spring’s marker training class
- 100% cruise of all marked sawlogs
- Logger: Leckson and Sons
  - Interviewed TIMCO operator, John Lockhart (2 yrs. w/ Leckson)
  - There was a spill kit in the cab

**Ferrucci Group**

**Stop 5: Holland Ditch Aspen Sale 41-005-06-01, Compartment 188**

Includes related Forest Treatment Proposal for Jack Pine removal. Confirmed paper linkages from Operations Inventory through presale process to logging contract for sale and confirmed connection from Operations Inventory to FTP specifications.

**Stop 6: MPC Hardwoods Timbersale, Unit 7, Stand 24**

Hardwood marked by contractor and then harvest supervised by MDNR. Revisit of site visited in 2004 Scoping. Reduced basal area from 140 to 80 square feet per acre, with focus on release of crop trees and 30-foot diameter openings. Observed limited residual stand damage, good silviculture. Reviewed knowledge of staff on hardwood management, which was good.

**Stop 7: Star Creek Bridge, Star Jodin Road**

When this site was visited in 2004 it had an open-deck bridge. It has been re-decked to close the gaps, minimizing opportunities for gravel to get into stream. RDR process was used to record the need, catalog this site, and manage its correction.

**Stop 8: Star Creek Road Rock Weir Site:**

As part of Petrel corner hardwood sale DNR required logger to install a rocked high-water crossing. The road was excavated, filter fabric installed, and then gravel put over the top. The crossing meets BMP guidelines and is a practical solution to the problems caused by beavers and a low-lying landscape. This section of road should serve all forest users well for many decades.

**Stop 9: Petrel Corner Hardwoods Sale 41-031-05-01, Compartment 183**

Reviewed paperwork, did not visit site. Discussed ORV issues. Reviewed knowledge of staff on hardwood management, which was good.

**Stop 10: Compartment 174**

This compartment is part of a large, intact block of northern hardwoods (at the landscape scale) that have had TSI in the 1970's and selection harvesting starting in the 1980s. Reviewed the harvest area and confirmed that silvicultural guidelines were followed and are likely to maintain stand diversity.

**Friday, October 27**

**Escanaba FMU**

**Hrubes/Griffin Group**

**Stop 1: Lat. 45.31.415 N, Long. 87.23.692 W**

Olsen Bridge—ORV illegal use control

- Illegal access to the river below the bridge was controlled through rip-rapping the embankment
- Most illegal ORV use is related to deer hunting
- User-created trails are not automatically “designated” so follow-up use on such trails is illegal; very few user-created trails end up being designated by DNR
- This FMU has an ORV tech and is also supported by a District recreation specialist

**Stop 2: Lat. 45.30.156 N, Long. 87.23.926 W**

A) Cedar River Campground

- No reservation system on the state forests
- This is the only campground in the FMU; 2 other campgrounds were previously closed due to environmental considerations
- Use level—approximately 600 camp days per year
- Campground is maintained by a FFO

B) Aspen Management—planned timber sale

- Stand was previously entered 12 years ago
- If transition to mesic conifer dominated stand is the long term objective, this short term harvest is counterproductive; but the harvest represents a balancing of multiple objectives, including providing fiber supply to regional mills

**Stop 3: Lat. 45.28.382 N, Long. 87.22.859 W**

Non-planned stop—illegal ORV use area

- This site had not yet been logged as a “RDR”

- The road specialist did enter a RDR as a result of this stop
- This stop highlights the fact that there is some ambiguity as to the definition of a “forest road”

### **Ferrucci Group**

#### **Stop 4: Lat. 45 deg 36’ 52” N, Long. 87 deg 40’ 51” W (from map)**

DeTemple Road Project is an extensive rebuild to bring the existing road back into compliance with BMP standards. This project has resulted in an excellent road with proper drainage including crown, ditches, cross drains, and running surface. Field staff do not use RDR reports for routine maintenance, but when there is doubt they are using the form. Although road maintenance funding is increasing over recent past, there has been a long time period of deferring maintenance. They have about 100 miles of primary roads, on which 70% of the RDRs have been entered into the system. There are hundreds of miles of secondary roads on which the RDR process is just starting as they move through compartment review.

#### **Stop 5: Demene Creek Portable Bridge, Compartment 7/8**

In mid-March of 2005 the Fire Supervisor (responsible also for roads and recreation) noted that bridge was rotting; by June 2005 had installed a portable bridge, with plans for a permanent solution in place; permits were obtained from MDEQ

#### **Stop 6: Trolls Beginning Timber Sale 33-33-05-01, Compartment 8**

Planned, not cut shelterwood harvest and natural regeneration treatments in Stands 3, 4, and 15 that are designed to increase white pine and oak as part of an overall plan to allow some of the aspen to convert to pine and oak (currently 50% of this compartment is coded as aspen). Follow-up treatments with prescribed fire are suggested in OI comments. Careful review of compartment plan and sale documents confirmed the planning described in policies and guidelines is done. Compartment plan includes a review and incorporation of historic features (old Wisconsin-Michigan Railroad Grade) fisheries (a trout stream and another creek, both protected with SCA designations), description of the ecological context, habitat goals including some early seral/brush/aspen management and some areas to move towards later successional stages (pine), and considerations for minerals, roads, survey needs (none), recreation and fire protection. Documentation issues identified in the full evaluation are generally resolved.

Auditor also examined an adjacent stand that received a shelterwood harvest some years ago. There are many pine and oak seedlings. Also confirmed that adjacent areas identified on the compartment map as stand code 8 (SCA) contain forest types that would be of special interest (larger, older trees along creeks) and are not being entered pending full evaluation.

### **DNR Personnel Interviewed**

The following MI DNR staff members were present for the audit and participated in group discussions and/or individual interviews:

### **Crystal Falls**

DNR staff avail entire audit	Division
DENNIS NEZICH (FC Specialist)	FMFM
LARRY PEDERSEN (Planning Unit Sup.)	FMFM
PENNEY MELCHOIR (Field Coordinator)	WLD
MICHAEL PALUDA (UP Field Coordinator)	FMFM
DNR staff avail for portion of audit	
STEVE MILFORD (CF Unit Manager)	FMFM
CYNTHIA COOPER (Forester)	FMFM
LINDA LINDBERG (Forester)	FMFM
OTTO JACOB (Forester)	FMFM
JEFF WEST ( Forest Fire Officer)	FMFM
CHUCK SARTORI (Forest Fire Officer)	FMFM
RICH AHNEN (Forest Fire Supervisor)	FMFM
PATRICK OLSON (Forest Fire Officer)	FMFM
THOMAS SEABLOM (Forester)	FMFM
DOUG WAGNER (CF Wildlife Biologist)	WLD
MONICA JOSEPH (CF Wildlife Tech)	WLD
BILL ZIEGLER (CF Fisheries Biologist)	FSH
DEBBIE BEGALLE (W UP Dist. Supervisor)	FMFM
BOB DOEPKER (W UP Dist. Supervisor)	WLD
JOHN HAMEL (W UP planner)	FMFM
MIKE HERMAN (District Fisheries Supervisor)	FSH
LT TOM CROCHANE (W UP Dist. Supervisor)	LED
MIKE KOSS (WLD Ecologist)	WLD
JIM FERRIS (W UP Timber Mgt Spec)	FMFM
KIM HERMAN (Monitoring Specialist)	FMFM

## Marquette

DNR staff avail entire audit	Division
DENNIS NEZICH (FC Specialist)	FMFM
LARRY PEDERSEN (Planning Unit Sup.)	FMFM
PENNEY MELCHOIR (Field Coordinator)	WLD
MICHAEL PALUDA (UP Field Coordinator)	FMFM
DNR staff avail for portion of audit	
JIM EKDAHL (UP Deputy Director)	
DEBBIE BEGALLE (W UP Dist. Supervisor)	FMFM
RONALD MURRAY (Unit sup. - Lansing)	FMFM
BOB DOEPKER (W UP Dist. Supervisor)	WLD
JOHN HAMEL (W UP planner)	FMFM
MIKE HERMAN (District Fisheries Supervisor)	FSH
JAMES FERRIS (District Timber Management Spec)	
JIM RADABAUGH (Recreation Sec. mgr.)	FMFM
MIKE DONOVAN (Resource Specialist)	WLD
BOB HEYD (UP Entomologist)	FMFM
Capt.CURT BACON (N. Field Oper. Sup)	LED
MIKE KOSS (WLD Ecologist)	WLD
MARK MCKAY (W UP Wildlife Tech.)	WLD
DAVID PRICE (Forest Cert. Planner)	FMFM
CARA BOUCHER (Section leader, Lansing)	FMFM
KIM HERMAN (Monitoring Specialist)	FMFM

### **Shingleton**

DNR staff avail entire audit	Division
DENNIS NEZICH (FC Specialist)	FMFM
LARRY PEDERSEN (Planning Unit Sup.)	FMFM
PENNEY MELCHOIR (Field Coordinator)	WLD
MICHAEL PALUDA (UP Field Coordinator)	FMFM
DNR staff avail for portion of audit	
SCOTT LAKOSKY (Fire Officer)	FMFM
BOB DEVILLEZ (E UP Planner)	FMFM
DAVID PRICE (Forest Cert. Planner)	FMFM
JEFF STAMPFLY (Unit Manager)	FMFM
TERRY MINZEY (Wildlife Biologist)	WLD
SHERRY MACKINNON (Wildlife Ecologist)	WLD
JIM WAYBRANT (Fisheries Biologist)	FSH
DARREN KRAMER (Fisheries Biologist)	FSH
REX AINSLIE (E UP Supervisor)	WLD
BOB MOODY (E UP Dist. Supervisor)	FSH
DON KUHR (E UP Timber mgt spec)	FMFM
LT JOHN CISCHE (E UP Dist. Supervisor)	LED
CELESTE CHINGWA (Forest Fire Supervisor)	FMFM
JENNIFER BURNHAM (Forester)	FMFM
BOB BURNHAM (Forester)	FMFM
CHRIS TROMBLY (Secretary)	FOS
BOB TYEKA (Forester)	FMFM
KRISTEN MATSON (Forester)	FMFM
DAN MOORE (District Recreation Specialist)	FMFM

## Escanaba

DNR staff avail entire audit	Division
DENNIS NEZICH (FC Specialist)	FMFM
LARRY PEDERSEN (Planning Unit Sup.)	FMFM
PENNEY MELCHOIR (Field Coordinator)	WLD
MICHAEL PALUDA (UP Field Coordinator)	FMFM
DNR staff avail for portion of audit	
STEVE MILFORD (CF Unit Manager)	FMFM
DARRYL SHANN (Conservation Officer)	LED
DAN BEAUDO (Fire Officer)	FMFM
DUSTIN SALTER (Forester)	FMFM
DON KUHR (District Timber Management Spec)	FMFM
BOB DOEPKER (District Wildlife Supervisor)	WLD
MIKE KOSS (Wildlife Ecologist)	WLD
DARREN KRAMER (Fisheries Biologist)	FO
ERIC THOMPSON (Unit Manager)	FMFM
BILL ROLLO (Wildlife Technician)	WLD
CRAIG ALBRIGHT (Wildlife Biologist)	WLD
DAN RACINE (Forester)	FMFM
KELLY STANDEFER (Forester)	FMFM
MIKE HERMAN (District Fisheries Supervisor)	FISH
DAN MCNAMEE (Forester)	FMFM
GARY WELLMAN (Fire Officer)	FMFM
ROGER GRINSTEINER (Fire Officer)	FMFM
DAN MOORE (District Recreation Specialist)	FMFM
RUSSELL MACDONALD (Forest Fire Supervisor)	FMFM
ROGER JONES (Fire Officer)	FMFM
KIM HERMAN (Monitoring Specialist)	FMFM

## 2.4 Status of Corrective Action Requests

### Corrective Action Requests Issued Following the 2005 Main Assessment:

<b>Observation (September 2005):</b> In that there is not an accessible, comprehensive register of international agreements, conventions and treaties applicable to the management of the Michigan state forests, it is not possible for the audit team to confirm that there is adequate conformance with FSC Criterion 1.3. However, based upon the un-compiled documentary evidence and field observations, we are not aware of any evidence to suggest non-conformance with C.1.3, therefore justifying a minor rather than major Corrective Action Request.	
<b>CAR 2005.1</b>  <b>STATUS:</b> Closed on 5/12/06 (partial) and final closure on 9/15/06	<b>Compile a concise yet comprehensive register (annotated list) of applicable international agreements, conventions and treaties and distribute to field units; complete a review to assure that the Department is in compliance with all applicable international requirements.</b>

<b>Deadline</b>	60 days after award of certification
<b>Reference</b>	<i>FSC Criterion/Indicator 1.3(a)</i>
<p><b>DNR Response (December 2005):</b>  Evidence relating to this CAR is listed below and will be placed on the DNR forest certification web site. Most International agreements and conventions do not have a noticeable day-to-day relevance to the DNR's management of the State Forests. However the following examples illustrate instances where DNR is knowledgeable of and participating in international agreements.</p> <p><u>American Indians:</u> Jim Ekdahl, U.P. Field Deputy and DNR state-wide coordinator for tribal issues, has a comprehensive list of all Indian treaties to which the State is subject (file: <i>Indian treaties index.doc</i>). Also see the 2000 Consent Decree.</p> <p><u>Other international agreements:</u>  Several documents demonstrate that the DNR actively partners with the federal agencies in the implementation of many agreements that have international dimensions. Documents include:</p> <ol style="list-style-type: none"> <li>1. A 2003-2004 status report for bobcat and otter populations furnished to USFWS under the CITES agreement. (<i>2003-2004_CITES.doc</i>)</li> <li>2. The memorandum of agreement that authorizes cooperative involvement of the DNR with respect to enforcing 15 different federal laws in the state of Michigan. (<i>Cooperative Law Enforcement MOA.pdf</i>)</li> <li>3. The 2004-2005 North American Flyways directory listing several DNR staff as representatives to the Mississippi Flyway Council. (<i>Flyway Council Directory.pdf</i>)</li> <li>4. The current migratory bird banding permit from the US Dept of Interior authorizing MDNR to work cooperatively in banding projects including the banding of endangered species. (<i>Migratory Bird Banding Permit.pdf</i>)</li> <li>5. The current USFWS Goose permit authorizing goose management in Michigan. (<i>USFWS Goose Permit.pdf</i>)</li> </ol> <p>Other agreements:</p> <ol style="list-style-type: none"> <li>6. Great Lakes Forest Fire Compact.</li> <li>7. International Joint Commission.</li> <li>8. Great Lakes Fisheries Commission.</li> </ol>	
<p><b>Auditors' Comments in Reply (December 2005):</b>  We are satisfied that DNR understands our requested actions and is on course for demonstrating adequate conformance. The DNR response lists examples of international agreements and conventions; conformance will be demonstrated when a comprehensive list of applicable agreements and conventions is compiled and distributed to field units. The response, above, does not indicate what DNR has done or will do to complete a review of the adequacy of the department's responses to the compiled list of agreements and conventions.</p>	
<p><b>Auditors' Comments (March 2006):</b> A comprehensive and more concisely formatted and discernable list of applicable international agreements, conventions and treaties has been developed and was provided to the auditors on March 8. If it has not already been done, this list should be posted on the DNR web site. This portion of the CAR is now being closed on the basis of the March 2006 surveillance audit.</p> <p>DNR did not provide the auditors with evidence that it has completed a review of the adequacy with which the Department is meeting its obligations contained within this body of international agreements. Thus, this CAR cannot yet be fully closed. The Department was advised that it must elevate the priority it is attaching to the completion of this task. On March 14<sup>th</sup>, Larry Pederson</p>	



sent a memo to the lead auditor committing to provide a written summary of the analysis by April 30<sup>th</sup>. Upon receipt of this document, and assuming that no major problems are identified, this CAR will be fully closed.

**Auditor Comments (September 2006):** A register of applicable international agreements, treaties and conventions has been developed and the DNR has completed an assessment to determine if there are any issues of possible non-compliance. As such, closure of this CAR is now warranted.

**Observation (September 2005):** As indicated by the number of vacant and eliminated conservation officer, forest & fire officer, and forest officer positions as well as the extent of resource damage from unauthorized ORV use in many FMU units, as well as the general condition of state forest roads, the level of funding committed to public use management and road system maintenance is not sufficient to adequately protect the resource base, as required by the FSC Lake States Regional Standard.

<b>CAR 2005.2</b>	<b>Develop and pursue strategies for securing additional personnel for public use management and road system maintenance; prepare a briefing report on steps taken and progress made.</b>
<b>STATUS: Closed as a result of the 2006 Annual Surveillance Audit (10/27/06)</b>	
<b>Deadline</b>	By the 2006 annual surveillance audit, expected to take place during Sept.-Nov., 2006
<b>Reference</b>	<i>FSC Criterion/Indicator 1.5(a) and 5.1(c)</i>

**DNR Response (December 2005):**

The auditors' observation suggests a perceived lack of permanent, fulltime DNR "officer" personnel as a cause of "resource damage from unauthorized ORV use" and a (presumably negative) "general condition of state forest roads". This approach fails to consider or recognize the DNR's efforts at addressing ORV and road problems via DNR trail specialists; other full – time, part-time, or temporary employees; contractors; grants; county road commissions; and local law-enforcement personnel. As a result, the "CAR" seems to require hiring uniformed personnel when other approaches may be more effective.

The DNR will continue to utilize ORV restoration grant funds available annually in the department's budget to address identified ORV damage. These grant funds are available to applicants to address the prioritized needs. DNR will also continue to work with the ORV Advisory Board to raise awareness of ORV issues, and to develop solutions.

The DNR proposes to show, within one year, a wide array of efforts for addressing ORV and road and bridge maintenance issues. DNR will complete its BMP monitoring and management review cycle as per work instructions 1.2, 3.1, and 3.2. In addition, by January 30, 2006 the DNR will create a task force that will be charged with defining a Department-wide strategy for addressing illegal ORV use. The strategy will be defined by June 30, 2006, and it will address three fronts including user education, enforcement, and maintenance/restoration. DNR will demonstrate additional progress by the time of the first annual surveillance audit.

**Auditors' Comments in Reply (December 2005):**

DNR is deriving inferences rather than responding on the basis of a careful and literal reading of this CAR. The CAR does not require DNR to hire permanent, full-time, uniformed DNR

<p>“officer” personnel. By employing the generic term, “additional personnel” in the CAR, the authors have consciously attempted to be non-prescriptive and to allow DNR latitude in formulating a response strategy in which more human and financial resources are marshalled for the growing challenges of public use management and road system maintenance. But to further emphasize our desire to provide latitude to DNR, we will revise the language of this CAR to state “additional personnel and resources.” We are encouraged by the last paragraph of DNR’s response.</p>	
<p><b>Auditors’ Comments (March 2006):</b> On March 8<sup>th</sup>, the auditors received a briefing from DNR’s Jim Radabaugh on this subject. The auditors take positive note of the fact that an OHV task force (“Off-Road Vehicle Strategy Task Force”) has now been established and that the first meeting of this task force has been held. We also note Chief Boyd’s comment that some \$26 million is to be invested in the state forests, representing a substantial influx of dollars. On the basis of these accomplishment and the oral briefing provided on March 8 as to further steps that will be taken, the auditors have an enhanced sense of confidence that DNR will be able to demonstrate, at the October 2006 annual surveillance audit, that it has undertaken corrective actions sufficient to warrant closure of this CAR. DNR is reminded that the CAR asks them to submit a briefing report on this subject prior to the October 2006 surveillance audit.</p>	
<p><b>Auditors’ Comments (October 2006):</b> As presented during the surveillance audit meeting in Marquette on October 25<sup>th</sup>, DNR has pursued a multi-front strategy for securing additional operating funds that can be used for public use management and road maintenance.</p>	

<p><b>Observation (September 2005):</b> While some progress has been made under the new Certification Work Instructions, the audit team concludes that more active efforts to invite the collaborative participation of tribal representatives, <i>at the FMU level</i>, is needed in order to demonstrate adequate conformance with elements of FSC Criteria 3.3 and 8.2.</p>	
<p><b>CAR 2005.3</b></p> <p><b>STATUS:</b> Closed as a result of the 2006 Annual Surveillance Audit (10/27/06)</p>	<p><b>Demonstrate continuing progress, at the FMU level, in inviting tribal participation in the identification of tribal resources and the development of appropriate management prescriptions as well as monitoring of the impacts of management on tribal resources; prepare a briefing report on steps taken and progress made.</b></p>
<p><b>Deadline</b></p>	<p>By the 2006 annual surveillance audit, expected to take place during Sept.-Nov., 2006.</p>
<p><b>Reference</b></p>	<p><i>FSC Criterion/Indicator 3.3(a), 3.3(b) and 8.2(d)3</i></p>
<p><b>DNR Response (December 2005):</b> Fisheries and Wildlife Divisions have had a long standing relationship with the 12 federally recognized tribes. At the management unit level, Wildlife and Fisheries Divisions coordinate with local tribal representatives/biologists on a variety of issues. Examples include cooperative wildlife research projects, participation in species regulation recommendations, review and discussions on land transactions, and providing assistance on biological data collection and surveys. These efforts include regularly-scheduled meetings every year and information sharing and collaboration.</p> <p>The DNR will encourage additional one-on-one contact with the tribes. Initially, FMU Unit Managers will establish regular contact with key environmental tribal officers for those tribes where the tribal chairs are located within the FMU boundary.</p>	

Through DNR contacts, tribes will be encouraged to participate in eco-regional and state-wide planning efforts.	
<b>Auditors' Comments in Reply (December 2005):</b> We are satisfied that DNR understands the requested actions and that it is on course for demonstrating adequate conformance at the time of the 2006 surveillance audit in September/October. DNR is reminded that a briefing report should be prepared in advance of that audit (perhaps a few pages in length).	
<b>Auditors' Comments (March 2006):</b> Since the due date for this CAR is the October annual surveillance audit, the lead auditors merely sought a status report on progress made as of the March date of the special surveillance audit. The general topic of DNR interaction with federally-recognized Michigan tribes was addressed during the March 8 <sup>th</sup> discussions in Lansing. Chief Boyd mentioned that the Department is very intensely involved in the final stages of negotiations over the 1836 Treaty and that it was her sense that the negotiations are "going well." She mentioned, as well, that many more tribal meetings are being held over the coming months in response to this CAR.  In discussions with field staff on March 9 <sup>th</sup> and 10 <sup>th</sup> , there was not any clear indication that forest-level tribal outreach and interaction has substantively changed since last October. Overall, it is the auditors' sense that DNR will still need to put greater emphasis on field/forest-level tribal interaction in order to demonstrate adequate response to this CAR by the time of the 2006 annual surveillance audit.	
<b>Auditors' Comments (October 2006):</b> As part of the briefing sessions in Marquette and October 25 <sup>th</sup> , the audit team was briefed by Jim Eckdahl and Dennis Nezich on the ongoing efforts by DNR to foster more regular, field-level dialogue with the federally-recognized Michigan tribes. The team was briefed about the differing levels of nation-to-nation negotiations that are a function of the 1836 and 1842 treaty areas and which tribes are associated with each treaty area. The negotiations have continued to dominate tribal dialogue throughout 2006 but the DNR is hopeful that a final set of agreements will be struck soon. As of the time of this surveillance audit, a draft "Agreement in Principle" had been crafted (and the audit team was allowed a brief opportunity to review its contents). Eckdahl and Nezich both characterize the Agreement as a mechanism that will result in a much more institutionalized and active level of cooperation and collaboration between the federally-recognized tribes and field managers of the state forest units.  It is our judgment that the evidence presented to the audit team on October 25 <sup>th</sup> does constitute "continuing progress" in inviting tribal participation in forest-level management planning and activities. As such, we conclude that <b>closure of this CAR is warranted</b> . But tribal outreach and cooperation will be a subject of continued focus in subsequent surveillance audits and if the Agreement in Principle is not finalized or if there is not clear evidence of its full implementation at the field level, a new CAR could be re-instituted.	

<b>Observation (September 2005):</b> In the judgment of the audit team, there are is not sufficient direction to field staff for assuring identification of archeological/cultural/historic sites of importance; even more so, there is no established guidance for assuring that any such sites found during field work are properly reported to the SHPO.	
<b>CAR 2005.4</b>  <b>STATUS: Closed</b>	<b>Develop and implement direction/protocols to DNR field personnel on the identification of sites of archeological, cultural, historic or community importance and the procedurally appropriate means for</b>

<b>on 5/12/06</b>	<b>reporting such sites to the SHPO.</b>
<b>Deadline</b>	By the time of the special surveillance audit in the first quarter of 2006
<b>Reference</b>	<i>FSC Criterion/Indicator 4.4(b)</i>
<p><b>DNR Response (December 2005):</b></p> <p>To address the concerns of the audit team, DNR will work with The Office of the State Archaeologist (OSA) to develop basic information and/or training for staff on site identification and reporting. Also, DNR will work with OSA to either confirm the adequacy of the current process or revise the process to meet their needs without compromising the possible sites. The protocol/process will be disseminated to staff. DNR expects to work with OSA to: 1) develop protocols for field identification and documentation of possible sites, 2) develop protocols for referring possible sites to OSA for assessment and evaluation, and 3) develop training and training materials (workshops, power points etc.) for staff.</p> <p>4.4(b) requires that ‘input is sought in identifying significant sites of archaeological...’. OSA is responsible for documentation and protection of archaeological and historic sites in Michigan. Its records include 18,000 sites on land, and 1400 shipwrecks. These records constitute the most comprehensive collection of books, unpublished reports, and documents on Michigan archaeology in our state. In addition, the OSA supports university field schools on state lands, and works with the State Historic Preservation Office to provide grants for archaeological projects.</p> <p>DNR Operations Inventory procedures require that compartment review information and proposed treatments be submitted to the OSA (SHPO) office for review and comment. Comments related to historical sites are retained in the OI ‘locked’ comments field so that locations are not exposed. OSA provides direction on protecting sites. OSA has also provided training and information on reporting possible sites. In the past, telephone calls or brief written notes have been used to report possible historic sites, as OSA does not have a reporting form.</p>	
<p><b>Auditors’ Comments in Reply (December 2005):</b></p> <p>The auditors are satisfied that DNR understands the requested actions and is on course for demonstrating conformance to the CAR by the time of the special/supplemental audit in Q1 of 2006.</p>	
<p><b>Auditors’ Comments (March 2006):</b></p> <p>A summary of DNR’s response to this CAR was presented by Cara Boucher during the March 8<sup>th</sup> group discussions in Lansing. Responsive actions include:</p> <ul style="list-style-type: none"> <li>• Multiple meetings with the state archaeologist to seek his input on response strategies and to clarify the roles of the SHPO vis-à-vis FMFM</li> <li>• Development and field distribution of a new Archaeological and Cultural Sites Reporting form</li> <li>• Presenting the subject matter at the 2006 FMFM division-wide meeting; with John Halsey providing 1.5 hours of technical training</li> <li>• Completion of plans to follow-up with a field-training component of the overall response, with the expectation that John Halsey will also conduct the field-level training activities.</li> </ul> <p>On the basis of these responses, the auditors conclude that closure of this CAR is warranted.</p>	
<p><b>Observation (September 2005):</b> The collaborative working relationship between DNR and MNFI is hampered by the recent cutbacks in funding for MNFI survey work on the state forests; the underlying goal of that collaboration—to identify and protect notable natural features found within the state forest system—is further hampered by inadequate guidance to DNR field staff on identifying state and federally listed plant species.</p>	

<b>CAR 2005.5</b>  <b>STATUS: Closed as a result of the 2006 Annual Surveillance Audit (10/27/06)</b>	<p><b>a) Develop and pursue strategies to assure a renewed/enhanced effort to conduct field surveys and assessments for rare, threatened, and endangered species and communities on the Michigan state forestlands.</b></p> <p><b>b) Develop and implement direction/protocols to DNR field personnel designed to assure more systematic on-the-ground assessment of state and federally listed plant species) submit to SCS, no later than 6 months after award of certification, a briefing document that details progress made on parts a) and b).</b></p>
<b>Deadline</b>	6 months after award of certification
<b>Reference</b>	<i>FSC Criterion/Indicator 6.1(a) and 6.2(c)</i>
<p><b>FSC indicators 6.1.a and 6.2.c below are for reference.</b></p> <p><i>6.1.a Using credible scientific analyses &amp; local expertise, &amp; assessment of current conditions is completed to include .....4) sensitive, t &amp; e species &amp; their habitat ...</i></p> <p><i>6.2.c For management planning purposes, forest owners .....use, participate in, or carry out on-the-ground assessments for the occurrence of state and or Federally listed as threatened, endangered, of special concern, or sensitive species.</i></p> <p><i>For example: The forest owner or manager uses an appropriate survey for listed species.</i></p> <p><b>DNR Response (December 2005):</b></p> <p>The DNR currently has a robust program in place to identify and protect threatened and endangered species (T&amp;E) with funding being provided by the Wildlife and Forest, Mineral, and Fire Management Divisions. The DNR will never <i>completely</i> inventory all state forest lands for <i>all</i> threatened and endangered species (T&amp;E) and rare communities. Our assessments of the potential for T&amp;E and rare communities use survey methods that rely on effective and efficient sampling. The new Michigan Natural Features Inventory (MNFI) Identifying Priority Conservation Areas project will model within an ecological classification system framework, the best places to conserve for a variety of biodiversity values, including T&amp;E species and rare natural communities. An important component of this project will be a quantitative evaluation of the “Natural Heritage methodology” for identifying the best places to conserve. Upon completion of field surveys within eco-units, the DNR and MNFI will have quantitative estimates of errors of omission in the identification of high priority areas to conduct field surveys. This project is one example of the DNR’s systematic approach to the protection of notable natural features.</p> <p>The Michigan DNR Mineral and Fire Management (FMFM) Division, also complies with FSC criteria/indicators 6.1.a and 6.2.c. by systematically: 1) reviewing existing records, 2) visiting stands during forest inventory, 3) contracting with MNFI to a) participate in planning through the Compartment Review Process, b) survey for listed species and c) provide training on natural communities and listed species to FMU forestry and wildlife staff. For each Year of Entry a MNFI Ecologist reviews the compartments and sends a list with locations for potentially effected listed plants and animals followed by a substantive written narrative describing the species, habitat and management known to or that may occur within or near each stand being treated. If there is strong potential a listed species may occur within a stand to be treated, based on existing habitat and staffs field knowledge, Work Instruction 1.4 Biodiversity Management on State Forestlands directs field staff to request a field survey. For Fiscal Year 2006, funding resources are allocated to accomplish these surveys. MNFI is also under contract in FY 2006 to survey Ecological Reference Areas on state forestlands. (See the attached FSC-6.2.c document for</p>	

additional evidence regarding surveys for listed species by MNFI and others.)

In addition, FMFM has contracted annually with MNFI since 1996 to provide training to field staff on significant local and regional natural communities and the listed species within them. Table 1 below is a summary of the training from 1996 – 2004 (See attached MNFI Training Summary document for further details). FMFM and Wildlife Division staff utilize this training and the references and abstracts from the MNFI website <http://web4.msue.msu.edu/mnfi/data/specialplants.cfm> to demonstrably protect and manage listed plant species. For example, due to training in the identification, ecology and management of the globally threatened pine barrens community, the Grayling Forest Management Unit (FMU) field staff recognize, protect and manage the associated rare plant species: rough fescue *Festuca scabrella* – state threatened, pale agoseris *Agoseris glauca* – state threatened, Hill’s thistle *Cirsium hillii* – special concern, and Alleghany plum *Prunus alleghaniensis* var. *davisii* – special concern. Similarly, when the field staff in the Sault Ste. Marie FMU find the state threatened walking fern *Asplenium rhizophyllum* and state endangered Hart’s tongue fern *Asplenium scolopendrium* which grow on dolomite boulders in northern hardwoods, they protect and manage them during forest treatments by reserving sufficient shade in the overstory canopy.

**Table 1. Summary of MNFI Training Workshops by Region.**

Workshop	WUP	EUP	NELP	NWLP	SELP	SWLP
Alvar		1996				
Conservation Planning	1998*	1998*	1998*	1998*	1998*	1998*
Dry-mesic northern forest	2003					
	1996	1996	1996	1996		
	1997*	1997*	1997*	1997*	1999*	1999*
	2001*	2001*	2001*	2001*	2006*	2006*
Introductory Workshop	2006	2006	2006*	2006*		
Invasive Species – Early Detection and Control	2006	2006	2006*	2006*		
Issues of Scale and Multiple Classifications			2006 *			
		1996				
		1997				
Northern Hardwoods	2000	2002		1996		
			1996*	1996*		
Pine Barrens			1999*	1999*		
Plant ID for Kotar Classification	2004	2003	2003*	2003*		
		2005	2005*	2005*		
Prairie Fen					1999	
Regional Workshops		2000	2003	2001	2001	2000
Riparian Management Zone Workshop	2004	2004	2006	2006	2002	2002
Woodland Raptors			1999			
	2002	1996	2001	2000	2003**	2000

**Auditors’ Comments in Reply (December 2005):**

The auditors are impressed with the substance of what is conveyed in the DNR response. As we understand it, DNR is indeed engaged in an array of efforts to identify and protect listed species as well as special/notable features. A key feature of the department’s effort is a risk-based approach focusing on priority conservation areas and an ecological classification system. But on the other hand, we received direct and clear input from stakeholder organizations such as MNFI that the state’s overall efforts in this arena have been hampered by cutbacks in DNR’s funding of MNFI survey work. We have been presented with a viewpoint that these funding reductions have

reduced the overall level of field survey work conducted by MNFI specialists and that this is having an adverse effect on the department's overall effort. Clearly, there are differences of perspective surrounding this topic. The critical question we face, as third-party auditors, is whether the department's more focused and risk-based approach to T&E issues sufficiently offsets the funding reductions.

In recognition of the uncertainty of the true situation in the face of the differing perspectives, we have slightly moderated the basis of the CAR ("Observations") by changing the first sentence from "...is hampered by the recent cutbacks in funding" to "...may be hampered..."

It is our sense that DNR can demonstrate adequate conformance to this CAR through submittal of a briefing document within 6 months of award of certification that more comprehensively compiles and presents its evidence that its efforts at identifying and protecting listed species and special/notable features is indeed efficacious even in the face of funding reductions. The briefing document should also address the request that DNR assure that there is sufficient direction to the field with respect to identification of listed plant species. During this time period, as well, we hope that DNR can work to resolve the differences of perspective with MNFI.

**Auditors' Comments (March 2006):** This subject matter of this CAR was addressed during the staff presentations in Lansing on March 8<sup>th</sup>. A brief presentation was made by M. Donovan and K. Herman. Generally, the certification auditors do not have a clear sense as to progress made on addressing this CAR since the December, 2005 submittals from DNR. DNR is encouraged to raise the level of effort in demonstrating and documenting actions undertaken in response to this CAR. We look forward to receiving a reasonably detailed status report on the MNFI Identifying Priority Conservation Areas project by mid-2006 as well as a more comprehensive (than the December '05 submittal) description of DNR's systematic approach to the protection of notable natural features.

**Auditors' Comments (October 2006):** As of September 15<sup>th</sup>, this CAR was kept open until the October surveillance audit in order to enable the auditors to listen to the scheduled presentation by Cara Boucher. As of September, we took positive note, however, of the fact that DNR has prepared and submitted 2 documents regarding funding for field research and 2 documents describing training activities focusing on field identification of listed and special plant species. A rare species assessment worksheet has also been developed and deployed for use in the field. We are satisfied that DNR has responded substantively to this CAR and we fully expect that the CAR will be closed following the October audit. Following the presentation by Cara Boucher on October 25<sup>th</sup> in Marquette, MI, this CAR was closed.

**Observation (September 2005):** In the course of examining recent (YOE 2003 and 2004) regeneration harvests on 8 FMFM FMUs, the audit team observed a substantial variation—across units and across individual foresters—in the extent and manner in which green retention is laid out and implemented. Likewise, the audit team concludes that more emphasis needs to be placed on recognizing and appropriately managing areas possessing resources of limited distribution (e.g., Canadian yew) and/or heightened sensitivity (e.g., seeps, springs and wet areas). Furthermore, stakeholder comments and field observations indicate that high populations of ungulates might have detrimental effects on the diversity of understory plants and regeneration of valued forest trees.

<b>CAR 2005.6</b>  <b>STATUS: Closed</b>	<b>Develop and implement direction/protocols to DNR field personnel on:</b> <ul style="list-style-type: none"> <li>the ecological bases for in-stand structural retention, particularly during regeneration harvesting, to assure more</li> </ul>
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<b>as a result of the 2006 Annual Surveillance Audit (10/27/06)</b>	<p><b>consistent uptake across all FMUs</b></p> <ul style="list-style-type: none"> <li>• <b>the identification and management of areas (as small as portions of individual stands) possessing notable ecological attributes, to assure more consistent uptake across all FMUs</b></li> <li>• <b>an assessment—throughout the ownership—of effects of browsing by ungulates.</b></li> </ul>
<b>Deadline</b>	By the time of the special surveillance audit during the first quarter of 2006, (a) and (b); and by the first annual surveillance audit, (c).
<b>Reference</b>	<i>FSC Criterion/Indicator 6.3(a)3, 6.3(a)5, 6.3(b)1, 6.3(c)3</i>
<p><b>DNR Response (December 2005):</b></p> <p>(a) Recommendations/direction for in-stand structural retention is currently being developed. FMFM and Wildlife Divisions are in the process of revising Silvicultural Guidelines for State Forest Cover Types. These guidelines will include specific recommendations by cover type for both green tree and dead wood retention levels. The portion of the Silvicultural Guidelines pertaining to ecological bases for in-stand structural retention and the related biodiversity guidelines for major cover types will be completed by March 31, 2006.</p> <p>(b) Guidance related to the identification and management of areas possessing notable ecological attributes is contained in the document Conservation Area Management Guidelines, MDNR Forest, Mineral &amp; Fire Management, IC 4450 (Rev. 09/xx/2005) on page 10:</p> <p>"DNR forest management staff should be aware of habitat features both within stands and within larger features of which the stand is part of (corridor, yard, etc.) and use protection strategies to conserve these habitat features in day-to-day management of state forest land. Forest managers, Wildlife and Fisheries Biologists should work cooperatively to determine protection and management options for habitat features. The Wildlife Action Plan (former Wildlife Conservation Strategy) provides species specific information for managers."</p> <p>In addition, guidance on cover type-specific potential ecological attributes will be included in the revised Silvicultural Guidelines. Examples may include management direction on prairie-remnant species in jack pine systems or ground hemlock in northern hardwood systems.</p> <p><i>(c) FSC Criterion/Indicators below are for reference.</i></p> <p><i>6.3.a.3 Measures are taken to ensure the retention of endemic and difficult-to-regenerate species.</i></p> <p><i>6.3.b.1. Forest management conserves native plant and animal communities and species. For example.....Diversity of understory species is maintained.</i></p> <p>The Vegetation Management Team is establishing a sub committee to address mammalian herbivory on state forest lands. This committee will be made up of WLD and FMFM staff with the express purpose of: 1) developing a protocol to measure the extent of browse on select species; 2) implement the protocols to assess browse; and 3) propose solutions should herbivory be determined to have a significant negative impact on forest vegetation. This committee will be formed by January 1, 2006. The committee will develop protocols by May 1, 2006 and assessments will begin by June 1, 2006. A preliminary assessment will be completed within one year.</p>	
<p><b>Auditors' Comments in Reply (December 2005):</b></p> <p>The auditors are comfortable that DNR understands the requested actions and that it is in the process of developing appropriate responses. We look forward to the opportunity to review this</p>	



topic with DNR during the special/supplemental audit in Q1 of 2006 (probably late March).	
<p><b>Auditors' Comments (March 2006):</b>  As presented during the March 8<sup>th</sup> group discussions in Lansing, DNR is actively working on a set of responses to this CAR but they are not yet ready to demonstrate sufficient progress to warrant closure of sections (a) and (b). As presented by DNR's Fitzpatrick, Heym and Stevens, and as further elaborated in a March 9<sup>th</sup> memo from Jim Ferris, the Department has elected to incorporate in-stand retention guidelines (part (a) of this CAR) into a broader guidance document, the Silvicultural Management Guidelines. As of March 9<sup>th</sup>, the Silvicultural Management Guidelines document remains under development. During the March 8<sup>th</sup> discussions in Lansing, part (b) of this CAR was not very effectively addressed by DNR and we remain uncertain as to what progress if any, aside from the SCA nomination process, has been made in developing field protocols for the identification and management of areas possessing notable ecological attributes. Of all of the CARs with near-term due dates, the auditors are most concerned about the pace of progress in responding to this CAR. To avoid elevation of this CAR to the status of a Major CAR, DNR must submit a status that clearly describes and documents the DNR's response to parts (a) and (b) of this CAR. The Department should invest the resources necessary to complete the Silvicultural Management Guidelines by the end of May.</p> <p>With regard to part (c) of this CAR, the auditors were presented with a draft "charge" to the Cervid Herbivory Team. During the discussions on March 8<sup>th</sup>, we noted that the charge to the Cervid Herbivory Team states that the ungulate browsing study was to "begin by October 2007." We pointed out that the assessment should be initiated by October 2006 and completed by October 2007. DNR acknowledged the error in the charge document and committed to revising it and, more importantly, developing the protocols for and initiating the browsing assessment by the time of the October 2006 surveillance audit.</p>	
<p><b>Auditors' Comments (October 2006):</b> At the time of the October 2006 audit, only part (c) of this CAR remained open. On the basis of the presentation on October 25<sup>th</sup> by Bob Heyd, the audit team concludes that DNR now has in place a well-developed methodology for generating risk maps (regarding risks of excessive ungulate browsing), state wide. The study has now been launched and, on that basis, the audit team concludes that closure of this CAR is warranted. However, progress in completing this study will be monitored in future audits and a CAR could be reinstated if the study were to be abandoned or otherwise not completed.</p>	
<p><b>Observation (September 2005):</b> On the basis of document reviews and DNR personnel discussions, the audit team is unable to confirm adequate conformance to the FSC Lake States Regional Standard requirement that "forest owners or managers maximize habitat connectivity to the extent possible at the landscape level."</p>	
<p><b>CAR 2005.7</b></p> <p><b>STATUS:</b> Closed as a result of the 2006 Annual Surveillance Audit (10/27/06)</p>	<p><b>Within the OI/IFMAP and eco-regional planning processes, modify procedures as necessary to assure maximum practicable habitat connectivity.</b></p>
<b>Deadline</b>	By the 2006 annual surveillance audit, expected to take place during Sept.-Nov., 2006.
<b>Reference</b>	<i>FSC Criterion/Indicator 6.3(b)4</i>
<p><b>DNR Response (December 2005):</b>  Successful implementation of existing Work Instructions and a new MNFI State-wide Surveys</p>	

Project (a part of the biodiversity conservation analysis), will assure that habitat connectivity at the landscape level is considered in the management of State Forest land.

Habitat connectivity at the landscape level using an ecological classification system will be assessed in the MNFI State-wide surveys project. The results of the analyses will inform the eco-regional planning process. At the planning level, the Criteria and Indicators effort has documented habitat connectivity as an important value to our stakeholders and the DNR, and resulted in the identification of potential metrics to measure the DNR's success in protecting this value. Work Instruction 1.3 (Eco-regional Plan Development) provides an outline for eco-regional plans that includes the identification of important large landscape-level forest and important habitat corridors. Work Instruction 1.3 also directs all DNR personnel within an eco-region to implement the plan through on the ground operations.

At the operational level, Work Instruction 1.4 (Biodiversity Management) directs field staff to consider habitat connectivity in the management of Special Conservation Areas where connectivity would enhance the management of the areas for their designated values. Work Instruction 3.1 (Forest Operations) directs the DNR to utilize BMP practices in riparian zones. Riparian zone BMPs enhance the protection of habitat connectivity in stream and river corridors.

Habitat connectivity was discussed as part of the compartment review process pre-Work Instructions. Work Instruction 1.6 (FMU Analysis) formalizes the discussion of habitat connectivity as part of the Pre-Inventory review meeting for an entire Forest Management Unit. The switch from OI to IFMAP will facilitate discussions of habitat connectivity issues because many of the data layers that will be used to assess connectivity are available as GIS data layers in IFMAP. Work Instruction 1.2 (Management Review) directs the DNR to carry out internal audits as a way of monitoring and reporting our effectiveness in implementing work instructions and hence, the maintenance of habitat connectivity.

**Auditors' Comments in Reply (December 2005):**

The auditors are satisfied that DNR understands the requested actions and we are comfortable with the direction and approach, described above, that DNR is taking in response. This evidence suggests that DNR will be well prepared to demonstrate conformance to the CAR by the time of the 2006 surveillance audit in September/October.

**Auditors' Comments (March 2006):** As overviewed on March 8<sup>th</sup>, we note the following in the way of ongoing progress in response to this CAR:

- DNR is continuing to implement the new Work Instructions, of note Work Instructions 1.2, 1.3, 1.4, 1.6 and 3.1
- Most FMU have implemented new pre-inventory review procedures which place the YOEC compartments into a broader landscape context, thereby enabling better consideration of connectivity issues
- The Wildlife Division held a 2-day training event on habitat issues and is continuing its development of desired future conditions for habitats; they are engaged in other related habitat analyses, as well.
- Chapter 5 of both the statewide forest management plan and the ecoregional plans will address habitat connectivity

Generally, the certification auditors came away from the March '06 surveillance audit with a sense of comfort that the DNR, if it continues at the pace observed then, will be able to provide sufficient evidence to warrant closure of this CAR at the time of the October '06 audit.

**Auditors' Comments (October 2006):** On the basis of the presentation made to the audit team on October 25<sup>th</sup> by Penny Melchoir, Wildlife Division Field Coordinator, that broadly

described/reviewed the mechanisms by which large-scale considerations about habitat connectivity are incorporated into the Compartment Review/Operations Inventory process, the audit team concludes that closure of this CAR is warranted.

**Observation (September 2005):** The audit team notes that no additions to the Natural Areas Program have been made for over a decade, despite a substantial queue of nominated areas. The suspended status of this program was raised as a concern by a variety of stakeholder groups. Its suspended status is incompatible with demonstrated conformance to FSC Criterion 6.4.

<b>CAR 2005.8</b>	<b>Undertake necessary departmental actions to:</b>
<b>STATUS: Closed as a result of the 2006 Annual Surveillance Audit (10/27/06)</b>	<ul style="list-style-type: none"> <li>• re-establish active designations to the Natural Areas Program</li> <li>• assure completion of the Biodiversity Conservation Committee's Phase I analysis in time to provide substantive guidance in the development of the EUP eco-regional plan</li> <li>• submit to SCS, no later than 6 months after award of certification, a briefing document that details progress made on parts a) and b).</li> </ul>
<b>Deadline</b>	6 months after award of certification
<b>Reference</b>	FSC Criterion/Indicator 6.4(a) and 6.4(b)

**FSC Criterion 6.4 and Indicators 6.4.a and 6.4.b below are for reference.**

*6.4. Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.*

*6.4.a. Where existing protected areas within the landscape are not of a size and configuration to serve the purposes listed in the above Applicability Note, forest owners or managers, whose properties are conducive to the establishment of such ecologically viable areas, designate them. The size, extent, and arrangement of on-site and off-site (i.e., on and off of the certified forest) representative sample areas are designated, documented, and justified.*

*For example; Management plans address the spatial relationships between or among representative samples, protected areas, and managed areas and may include gap analysis.*

*6.4.b. Large private and public forest owners or managers use or carry out an analysis to evaluate the extent to which representative samples of existing ecosystems are adequately protected in the landscape. The size and extent of representative samples on public lands are determined through a management planning process that includes public input (see also Indicator 4.4.e).*

**DNR Response (December 2005):**

(a) The biodiversity conservation planning process will be the method the DNR uses to identify ERAs, HCVAs and SCAs. DNR will clarify how natural area designations fit into this process by June 1, 2006.

All biodiversity analyses including the protection analyses will be made available to the state biodiversity design team for review. Legal dedication under the Public Act 451, Part 351 offers one of the highest forms of protection offered by the State. Not all areas are of sufficient quality to justify legal dedication. As part of the Biodiversity Planning Process all Ecological Reference Areas will be reviewed relative to the level of protection the department and the public deems necessary. The backlog of nominated natural areas on state forest land will be vetted through the biodiversity conservation planning process. The DNR is demonstrating its commitment to the

legal dedication of natural areas by providing staff support and by currently moving forward with the dedication of the Algonac Prairies and Savannas Natural Area, at Algonac State Park in Southeast Michigan.

Natural Areas nominated for legal dedication are one category of many Special Conservation Areas managed by the DNR. All DNR natural areas including those nominated for legal dedication are mapped, protected and managed per the implementation of the Natural Areas Program Strategic plan, Work Instruction 1.4 Biodiversity Management on State Forestlands, and the Conservation Area Management Guidelines, Appendix D.

(b) Many of the Biodiversity Conservation Committee's Phase I tasks identified below are under way. The DNR will keep the auditors abreast of progress on these tasks, though not all may be able to be accomplished by June, 2006.

1. The Statewide team identifies the general distribution and quantity of each of the 74 Michigan Natural Features Inventory natural community types which exists now and in the past. This also includes the large task of identifying biophysical data sources and those spatial and tabular analyses that will be needed. The team should strive to identify any significant variations in natural community types.
2. The Statewide team defines conservation objectives and targets and values for each community type. Key tasks include determining community uniqueness and rarity, threats to the ecological health of a given natural community, and potential for conservation of a given natural community.
3. Determine and rate the quality, condition and functionality of a natural community over the landscape of Michigan. Also, the team must rate the potential to preserve the quality, condition and functionality of a natural community ecosystem(s) and natural processes over the next century. This will involve defining the importance of various ecological criteria to maintain or restore biodiversity within a natural community and its surrounding landscape.
4. Identify statewide social and economic trends, as well as social and economic constraints to conserving biodiversity in any given landscape. This will involve further refinement in the identification of biophysical data requirements.
5. Provide information, data and direction to the four eco-regional teams to allow the eco-regional teams to move ahead with the biodiversity conservation process. This includes:
  - a. List of conservation objectives associated with each community type.
  - b. Checklist of ecological criteria important for each conservation objective.
  - c. Relevant economic & social data, definitions and profiles.
  - d. Relevant biophysical data.
  - e. Suggested list of other planning processes to connect with.
  - f. Announcements to interested outside groups.

**Auditors' Comments in Reply (December 2005):**

The auditors are satisfied that the DNR adequately understands the requested actions and we are comfortable with the response approach as summarized in the DNR Response. Upon consideration of the DNR's comments and upon further deliberation amongst ourselves, we agree that 6 months is too short of a time frame to enable fully adequate response so we have extended the due date of this CAR to the time of the 2006 surveillance audit.

**Auditors' Comments (March 2006):** With respect to ongoing progress in responding to this CAR, the certification auditors note:

- The statewide biodiversity conservation committee/team has been meeting regularly this

<p>year</p> <ul style="list-style-type: none"> <li>• DNR has committed to providing the certification auditors with a clarification, by early June, as to how the nomination and consideration of candidate natural areas fits into the agency's biodiversity conservation planning process</li> <li>• While the overview of this topic on March 8<sup>th</sup> was less than fully informative, the evidence continues to suggest that DNR remains on track for closing out this CAR by the time of the annual surveillance audit (October '06)</li> </ul> <p>The auditors will be expecting the clarification memo by sometime in the first half of June.</p>
<p><b>Auditors' Comments (October 2006):</b> This CAR was kept open until the October surveillance audit in order to confirm that the Statewide Committee (SWC) gave final approval to the process document for the natural area at its October meeting. In her briefing of the audit team in Marquette on October 25<sup>th</sup>, Penny Melchior confirmed that the SWC did in fact approve the Action plan at its October 3, 2006 meeting. Melchoir also shared with the audit team the fact that guidance documents have been completed (as of mid-September) that are designed to aid personnel tasked with completing the reviews of backlogged nominations for additions to the Natural Areas Program.</p> <p>On the basis of the information provided to the audit team during this surveillance audit, we conclude that <b>closure of this CAR is warranted</b>. During the 2007 surveillance audit, progress on completing the review of backlogged nominated areas as well as the vetting of new candidate areas will be assessed.</p>

<p><b>Observation (September 2005):</b> As is recognized by the DNR, its key stakeholders, and the audit team, a timely completion of the three eco-regional plans is a linchpin to the Department's focused response to the FSC Scoping Visit Report that was submitted in November, 2004. If these yet to be finished eco-regional plans were all that comprised management planning for the state forests, a Major CAR would need to be issued, requiring completion of these plans prior to award of certification. But, in fact, these eco-regional plans are but one component of a complex array of planning documents and initiatives undertaken by DNR, spanning multiple temporal and spatial scales as well as subject matter. It is this compendium of planning documents and initiatives that, in the judgment of the audit team, constitutes the "management plan" for the Michigan state forests. As such, a minor CAR is deemed appropriate. But failure to complete the eco-regional plans on the schedule that DNR has publicly committed to would constitute a major non-conformance.</p>	
<p><b>CAR 2005.9</b></p> <p><b>STATUS: Closed on 5/12/06</b></p>	<p>a) <b>Commit sufficient departmental resources to complete the three eco-regional plans by the announced completion dates and in full conformance with the established protocols, including substantive stakeholder involvement</b></p> <p>b) <b>Conduct an assessment of current resources committed to EUP eco-regional planning effort and augment as needed, in light of the much shorter time line committed to for completing this plan</b></p>
<b>Deadline</b>	At the time of the special surveillance audit in the first quarter of 2006
<b>Reference</b>	<i>FSC Criterion 7.1(b)6</i>
<p><b>DNR Response (December 2005):</b></p> <p>Part (a): All three eco-regional planning teams have prepared timelines for completion of their respective plans according to Work Instruction 1.3. Eco-teams are presently making staff assignments and organizing work groups according to the timelines and Work Instruction 1.3. A</p>	

set of state-wide Criteria and Indicators (C&I) have been drafted based on stakeholder input and values exploration. Plan development, including C&I and other analyses, has been supported by other external public agencies (e.g., US Forest Service, MNFI). Aside from initial stakeholder values gathering efforts, public review of the eco-regional plans will occur at least twice during plan drafting and rollout for all three eco-regions. State-level staff are assisting in the eco-regional planning effort.

Part (b): The Eastern Upper Peninsula Eco-team (EUP team) has completed an in-depth analysis of resources needed to achieve its established timeline (one-year less than the other two eco-regions). This analysis was completed by Forest Certification planning staff, Division representatives on the EUP team, and Lansing staff specialists. The consensus reached was that Department staff, with support of appropriate Division upper-level managers and management unit supervisors, is at a sufficient level to achieve plan completion by the established deadline. To that end, the EUP FMFM Planning & Inventory specialist position has been committed fulltime to the eco-regional planning effort. In addition, the Cooperative Forest Management specialist has been committed to this effort for at least one-quarter of that position's work load. The time allocated to the Wildlife Ecologist position (Wildlife Division) for eco-regional planning has also been increased to support this effort. Likewise, Wildlife and Fisheries Division's are committing staff (not directly or normally linked to the EUP team) towards this effort. Finally, the EUP team has established a planning team which is going to be meeting bi-weekly to ensure continuity in plan development.

**Auditors' Comments in Reply (December 2005):**

The DNR Response indicates that the requested actions are understood and that the department fully appreciates the importance of completing the eco-regional plans on time. We look forward to discussing this topic during the special/supplemental audit in late March, 2006.

**Auditors' Comments (March 2006):** Based upon a review of ongoing progress in the development of the 3 eco-regional plans and an in-depth discussion with core team members of the Eastern Upper Peninsula eco-regional planning team, we are satisfied that all 3 planning efforts are on track for completion within the time frames that DNR has publicly committed to. While the time frame is the most compressed, the March surveillance audit left us with an elevated sense of confidence that DNR has committed sufficient resources to the EUP effort.

**Note:** On April 20<sup>th</sup>, DNR requested a conference call with the FSC and SFI lead auditors in order to discuss the timeline from completing the Eastern Upper Peninsula Eco-Regional Plan, which is the focus of CAR 2005.9(a). During this conference call, DNR presented several compelling reasons why a 4-5 month delay in completing the EUP plan is needed and warranted, most notably in order to enable the completion of the new statewide forest management plan in advance of the three eco-regional plans. Based upon the arguments presented by DNR, the auditors are convinced that extending the timeline for completing the EUP plan is warranted and compatible with the thrust of this CAR. The goal of this CAR is to complete these plans as expeditiously as possible but to also make them as useful of planning tools as possible. We are satisfied that EUP plan will be a superior planning tool if, during its development, it can more fully benefit from a completed statewide forest management plan.

So, we believe that it is still appropriate to close this CAR but to carefully monitor the ecoregional planning process over the next year. If progress were to stall out and timeframes were to be pushed back even further, then it is likely that a new CAR, perhaps a Major CAR, would be stipulated, at that time. Progress on completing the statewide plan and the 3 ecoregional plans will be a key focus of the October 2006 surveillance audit. Inadequate progress

at that time could lead to the issuance of a new CAR.

**Observation (September 2005):** In the course of document review and DNR personnel discussions, the audit team was unable to identify a comprehensive written summary as to the frequency and scope of periodic revisions to the body of plans/documents that collectively constitute the “management plan” for the Michigan state forests.

<b>CAR 2005.10</b>	<b>Establish and make publicly available written protocols for the scope and periodicity of updates/revisions to all management planning documents, including but not limited to eco-regional planning.</b>
<b>STATUS: Closed on 9/15/06, with new REC 2006.1</b>	
<b>Deadline</b>	By the time of the special surveillance audit in the first quarter of 2006
<b>Reference</b>	<i>FSC Criterion/Indicator 7.2(a)</i>

**FSC Criterion 8.4 and Indicators 7.2.a and 8.4.a below are for reference.**

*FSC Criterion/Indicator 7.2(a) Operational components of the management plan are reviewed and revised as necessary or at least every 5 years. Components of the long-term (strategic) management plan are revised and updated at the end of the planning period or when other changes in the management require it.  
(see also Criterion 8.4)*

*FSC Criterion 8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.*

*8.4.a. Discrepancies between the results of management activities or natural events (i.e. yields, growth, ecological changes) and expectations (i.e. plans, forecasts, anticipated impacts) are appraised and taken into account in the subsequent management plan.*

**DNR Response (December 2005):**

By March 31, 2006 the Statewide Resource Planning Team will add expected update/revision dates to the compendium of plans referenced in CAR 11.

Section 5.4 of the Operational Management Guidance document addresses the revision requirements of FSC 7.2(a), stating that:

“Operational components of State-wide and eco-regional management plans will be reviewed and revised as necessary, but at a minimum of every five years. Strategic components of Statewide and eco-regional management plans are to be reviewed and if necessary revised or updated at the completion of each 10-year compartment review cycle, or when other changes in management require revision.

The 10-year planning cycle for compartment reviews is operationally implemented by O.I. and Compartment Review Procedures, as contained in FMD Policy 441 dated January 19, 2000.”

Ecoregional Management Plans will also contain a specific section dedicated to review and revision processes.

**Auditors’ Comments in Reply (December 2005):**

We are satisfied with the DNR’s response and we look forward to discussing this topic with DNR

personnel during the special/supplemental audit in late March, 2006.
<b>Auditors' Comments (March 2006):</b> At the time of the March surveillance audit, we were informed that DNR would be completing the process of adding expected update/revision dates to each of the major planning documents by the end of March. A written description of these update/revision frequencies/dates has not yet been conveyed to the certification auditors. DNR should provide written evidence, by the end of May, that it has adequately addressed this corrective action request; failure to do so could result in elevation to a Major CAR.
<b>Auditor Comments (September 2006):</b> A document presenting the protocols and periodicity of revisions of the body of state forestlands has been prepared, submitted to SC and posted on the DNR web site. As such, closure of this CAR is warranted. However, a new Recommendation is specified as a follow-up (see REC 2006.1)

<b>Observation (September 2005):</b> As a state agency, DNR documents are generally available to the public. Indeed, there is a multiplicity of management plans and planning guidance documents that are available, most of which can be accessed on the DNR Web site. But this multiplicity of documents presents a substantial challenge to all but the most motivated members of the public to grasp the totality of the DNR planning activities and how each individual plan—covering different spatial and/or temporal scales—fit together into an overarching management program designed to attain established goals and objectives. This runs counter to the transparency and public access precepts imbedded in the FSC standards and protocols, such as found in Principle	
<b>CAR 2005.11</b>	<b>Develop and make publicly available a tractable and concise umbrella summary document that meets the FSC content requirements and provides a clear description of how the many DNR management planning documents and initiatives function as a cohesive whole.</b>
<b>STATUS: Closed on 9/15/06</b>	
<b>Deadline</b>	By the time of the special surveillance audit in the first quarter of 2006
<b>Reference</b>	<i>FSC Criterion/Indicator 7.4(b)</i>
<p><b>FSC indicator 7.4(b) and Criterion 7.1 below are for reference.</b></p> <p><i>FSC Criterion/Indicator 7.4(b) Managers of public forests make forestry-related information easily accessible (e.g., available on websites) for public review, including that required by Criterion 7.1.</i></p> <p><i>FSC Criterion 7.1. The management plan and supporting documents shall provide:</i></p> <ul style="list-style-type: none"> <li><i>a) Management objectives.</i></li> <li><i>b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.</i></li> <li><i>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.</i></li> <li><i>d) Rationale for rate of annual harvest and species selection.</i></li> <li><i>e) Provisions for monitoring of forest growth and dynamics.</i></li> <li><i>f) Environmental safeguards based on environmental assessments.</i></li> <li><i>g) Plans for the identification and protection of rare, threatened and endangered species.</i></li> <li><i>h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.</i></li> <li><i>i) Description and justification of harvesting techniques and equipment to be used.</i></li> </ul>	



<p><b>DNR Response (December 2005):</b> As noted by the auditors, a compendium of planning documents has already been built into the forest certification web site. The site will be reorganized by the Statewide Resource Planning Team and presented in a format that explains how all of the different documents function as a cohesive whole to further the attainment of our management goals and objectives.</p> <p>Section 1.3 and Appendix D of the Operational Management Guidance document address the issue of the many DNR planning documents and initiatives, and will be modified to present the same information as the web site.</p>	
<p><b>Auditors' Comments in Reply (December 2005):</b> We are satisfied with the DNR's response and we look forward to discussing this topic with DNR personnel and reviewing the pertinent sections of the DNR web site during the special/supplemental audit in late March, 2006.</p>	
<p><b>Auditors' Comments (March 2006):</b> On March 8<sup>th</sup>, the auditors received a briefing from David Price and received a draft version of "A Comprehensive Summary of the Department of the Natural Resources Planning Process for Natural Resource Management in Michigan." We were informed that this summary document will be finalized by the end of April and that its endorsement by the Statewide Council (SWC) will be sought shortly thereafter. We are satisfied with progress in response to this CAR as of early March and we are comfortable with holding this CAR open until the end of May in order for DNR to finalize the document and post it on the DNR web site.</p>	
<p><b>Auditor Comments (September 2006):</b> An umbrella management plan document has been developed and posted on the DNR web site and all "hotlinks" to related planning documents are operative. As such, closure of this CAR is warranted.</p>	

<p><b>Observation (September 2005):</b> DNR has not yet developed a written "documented control system" that assures conformance with applicable FSC chain-of-custody requirements necessary for the wood harvested from the state forests to carry forward the status as "FSC certified wood."</p>	
<p><b>CAR 2005.12</b></p> <p><b>STATUS: Closed at the time of award of certification.</b></p>	<p><b>Establish written chain-of-custody procedures that comply with the FSC Principles of Chain-of-Custody and that assure:</b></p> <ul style="list-style-type: none"> <li>a) written notification to all DNR stumpage purchasers that the certified status of the wood harvested from the state forests will not be maintained unless the purchaser is either, themselves, a holder of a FSC CoC certificate or member in good standing of a FSC Group CoC certificate</li> <li>b) all paperwork associated with timber sales on the state forests include the DNR's unique FM/CoC certificate number (to be assigned at award of certification)</li> <li>c) DNR has developed procedures that will enable it to provide SCS with quarterly sales volumes, by purchaser, estimated as robustly as possible</li> </ul>
<b>Deadline</b>	Prior to award of certification
<b>Reference</b>	<i>FSC Criterion/Indicator 8.3</i>
<p><b>DNR Response (December 2005):</b></p> <ul style="list-style-type: none"> <li>a) The Timber Sale Specialist will insert a statement into general specifications/bid instruction in every Timber Sale Prospectus: "The area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) – Certificate #SCS-FM/COC-XXXXXX and the Sustainable Forestry Initiative (SFI) – Certificate</li> </ul>	

<p>#XXXXXX. Forest products from this sale may be delivered to the mill as “FSC and / or SFI certified” as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.”</p> <p>b) The above statement will be inserted into the general contract specifications of every Timber Sale contract.</p> <p>c) The Timber Sale Specialist will provide required information to the FSC auditor. Reporting volume will be total volume in cords and will be reported on a monthly rather than quarterly basis.</p>	
<p><b>Auditors’ Comments in Reply (December 2005):</b> The DNR response is adequate. But to close out this CAR, we need to receive a written document entitled something to the effect of: “DNR Chain of Custody Procedures” that memorializes its commitments with respect to notification of timber purchasers and volume data compilation and submittal to SCS. This document need not be lengthy but there needs to be one on file. (Note: On December 19, DNR in fact submitted a CoC control system document and this CAR was closed.)</p>	
<p><b>Auditors’ Comments (March 2006):</b> This CAR was closed at the time of award of certification and, as such, was not addressed during the special surveillance audit. However, chain of custody procedures will be addressed during the annual surveillance audit in October.</p>	

<p><b>Observation (September 2005):</b> While the audit team is very impressed with the actions initiated by DNR in response to the Scoping Visit Report, as formalized in the new Certification Work Instructions, a demonstration of sufficient conformance to the analytical, management and consultative requirements related to areas qualifying as “high conservation value forests” requires that some additional steps be taken prior to award of certification, steps that can be reasonably completed prior to the end of 2005, if sufficient staff resources are dedicated.</p>	
<p><b>Major CAR 2005.13</b></p> <p><b>STATUS:</b> Closed and replaced with a Minor CAR prior to award of certification. (See below)</p>	<p><b>DNR must undertake the following actions with regard to the identification and management of areas meeting the FSC’s definition of “high conservation value forests” as further guided by the FSC Lake States Regional Standard:</b></p> <ul style="list-style-type: none"> <li>• Name all members of the Biodiversity Conservation Committee and assure that the team members have sufficient available time to execute their duties</li> <li>• Establish/clarify the process by which members of the public may make SCA/HCVA/ERA nominations</li> <li>• Document and revise as needed procedures for assuring coordination with other ownerships possessing HCVF areas within the landscape</li> <li>• Develop/clarify HCVF monitoring protocols</li> </ul>
<b>Deadline</b>	Prior to award of certification
<b>Reference</b>	<i>FSC Criterion/Indicator 9.1(a), 9.3(d) and 9.4(b)</i>
<p><b>DNR Response (December 2005):</b> The Statewide Council (SWC) is scheduled to appoint a statewide Biodiversity Conservation Planning Team at its November 1, 2005 meeting. The Biodiversity Conservation Planning Process defines several immediate activities they will undertake. In addition to these activities they will clarify the process by which members of the public may make SCA/HCVA/ERA recommendations. This information will be on the DNR website by December 31, 2005. Note: the general public currently has opportunity to provide recommendations in the existing Open</p>	

House/Compartment Review process.

DNR has worked with other organizations and landowners, notably the USDA Forest Service and The Nature Conservancy (who has coordinated efforts with large industrial landowners) to identify, document, and protect biological and ecological legacies through a variety of mechanisms. These activities are ongoing. As part of the management review process, activities will be summarized and information shared.

Monitoring of HCVA's include the following:

- Per Work Instruction 1.4 Biodiversity Management on State Forestlands HCVA's are reviewed during Compartment Reviews.
- Internal Audits that include monitoring and review of SCA/HCVA/ERA are conducted each year.
- Opportunistic Field Surveys (OFS) will be used to report on the ground conditions/changes on HCVA's.

**Auditors' Comments in Reply (December 2005):**

The overall thrust of DNR's response appears to be appropriate. In order to either close this Major CAR or downgrade it to a Minor CAR prior to award of certification, SCS will need to receive additional information from DNR such as: a) a list of personnel now comprising the Biodiversity Conservation Planning Team, b) a written summary of the process by which members of the public may make SCS/HCVA/ERA recommendations, c) more detail on coordination with other land management entities as well as HCVA monitoring protocols.

(Note: On the basis of evidence presented on December 19, the scope of this Major CAR was narrowed and it was downgraded to a Minor CAR.)

**Auditors' Comments (March 2006):** see below

**Observation:** While the audit team is very impressed with the actions initiated by DNR in response to the Scoping Visit Report, as formalized in the new Certification Work Instructions, a demonstration of sufficient conformance to the analytical, management and consultative requirements related to areas qualifying as "high conservation value forests" requires additional actions to be undertaken after award of certification.

<p><b>CAR 2005.13</b></p> <p><b>STATUS:</b> Closed on 9/15/06, with new REC 2006.2.</p>	<p><b>DNR must undertake the following actions with regard to the identification and management of areas meeting the FSC's definition of "high conservation value forests" as further guided by the FSC Lake States Regional Standard:</b></p> <ul style="list-style-type: none"> <li>a) <b>Finalize the establishment and public distribution of the process by which members of the public may make SCA/HCVA/ERA nominations</b></li> <li>b) <b>Document and revise as needed procedures for assuring coordination with other ownerships possessing HCVA areas within the landscape</b></li> <li>c) <b>Develop/clarify HCVA monitoring protocols</b></li> </ul>
<p><b>Deadline</b></p>	<p>At the time of the special surveillance audit in March, 2006.</p>
<p><b>Reference</b></p>	<p><i>FSC Criterion/Indicator 9.1(a), 9.3(d) and 9.4(b)</i></p>
<p><b>Auditors' Comments (March 2006):</b> During the March special surveillance audit, the auditors</p>	

were informed by DNR staff (Donovan and Herman) that the procedures for nominating SCS/HCVA/ERA's has been completed and posted on the DNR web site. Specifically, the document posted on the web site is: "Biodiversity Conservation on DNR-Owned Lands: Conservation Area Recommendation Process." As part of this process, a nomination/recommendation form has been developed; as well, DNR submitted to SCS a draft schematic/flowchart that further describes the conservation area recommendation process. Accordingly, response to CAR 2005.13(a) is now sufficient. With respect to HCVA monitoring and coordination with other landowners (CAR 2003.13(b)&(c)), the presentations and supporting documents submitted to the auditors on March 8<sup>th</sup> revealed partial progress has been made. A draft monitoring protocol was under development at that time and a partial written description was provided, focusing on 2 of 5 categories of HCVA (dedicated natural river areas and federal endangered species sites). Both of these categories already have established monitoring protocols under the jurisdiction of other agencies. DNR is responsible for monitoring activities on the remaining 3 conservation area categories and the protocols were not yet completed as of early March.

In all, progress by DNR in closing this CAR is not yet sufficient to warrant closure. DNR is strongly advised to provide SCS with finalized monitoring protocols and inter-ownership coordination by the mid-June in order to avoid this CAR being elevated to a Major CAR.

**Auditor Comments (September 2006):** This CAR is being closed because:

- A nomination process has been developed, documented and made publicly available (though not very accessibly; see recommendation)
- DNR has submitted to SCS a document describing the means by which DNR coordinates with other public agencies with respect to management of HCVF
- DNR has submitted to SCS a document describing HCVF monitoring procedures.

However, a new Recommendation is specified as a follow-up (see REC 2006.2)

#### Recommendations Issued Following the 2005 Main Assessment:

**Background/Justification:** The Michigan state legislature is presently considering, and could in the future consider legislation that, if enacted, may constitute a fundamental conflict with the FSC certification standards.

<b>REC 2005.1</b>	To minimize the likelihood of DNR finding itself in an irreconcilable situation with respect to conforming with the FSC Lake States Regional Standard in the event that conflicting state legislation were to be enacted, DNR should consider establishing an informal review process where SCS is apprised of pending legislation and provided with an opportunity to offer comment as to the implications for continued FSC certification.
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<b>Reference</b>	FSC Criterion 1.6
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**Auditor Comments (October 2006):** While DNR has not established a formal protocol for apprising SCS of legislative developments, senior DNR personnel have nonetheless endeavoured to inform SCS as legislative developments have arisen over the course of 2006, since award of certification.

**Background/Justification:** The consultation with the SHPO is occurring with respect to the

possible presence of recorded sites, DNR field personnel are not affirmatively looking for and may not have acquired experience/skills in the identification and reporting of possible archeological/historic/cultural resources, tribal or otherwise, that may not yet be recorded with the SHPO.	
<b>REC 2005.2</b>	To aid in the effective implementation of the protocols requested in CAR 2004.5, DNR should consider additional training and field guidance aimed at more affirmatively inventorying and reporting archeological, cultural, and historic sites that have not yet been recorded.
<b>Reference</b>	FSC Criterion 3.3
<b>Auditor Comments (October 2006):</b> We note that a FMFM training program was initiated in 2006 including the direct participation of the state archaeologist. We were also informed that Wildlife Division has an active SHPO process in place and has had for many years due to federal aid requirements. A form to report historic sites was developed for use by Department Staff and information on it disseminated in FMU biodiversity training sessions. A funding proposal for more extensive surveys by SHPO was submitted to the Michigan Forest Finance Authority.	

<b>Background/Justification:</b> Managers of non-tribal forests, be it public or private forests, generally would benefit from greater awareness of how other managers are surveying for archeological and cultural resources of significance to indigenous peoples.	
<b>REC 2005.3</b>	It is recommended that DNR make contact with the USDA Forest Service as well as the Wisconsin and Minnesota DNRs to assess their approaches to surveying for archeological/cultural/historic resources.
<b>Reference</b>	FSC Criterion 3.3
<b>Auditor Comments (October 2006):</b> We are not aware of a response to this Recommendation as of late October, 2006. This topic will be reviewed with other states during the course of work in 2006 and 2007.	

<b>Background/Justification:</b> Despite the existence of a multiplicity of mechanisms by which stakeholders can have their input received by DNR managers and can participate in planning and decision-making processes, stakeholders from across the spectrum expressed to the auditors a sense that DNR is not being adequately transparent. While such frustrations may in part be triggered more from dissatisfaction over the results of the planning and decision-making processes than from inadequacies in the stakeholder input/participation mechanisms, this rather widespread perception is something that DNR ought to try to address.	
<b>REC 2005.4</b>	DNR should develop a strategy for comprehensively reviewing its stakeholder input/participation mechanisms in order to identify and implement opportunities for improving overall stakeholder satisfaction with DNR's efforts at transparency.
<b>Reference</b>	<i>FSC Indicator 4.4.e</i>
<b>Auditor Comments (October 2006):</b> The audit team was informed by DNR that the NRC process is being used more and more for public input/reviews, especially with ecoplans and the statewide plan. The NRC process is continually being refined. This issue was identified in the 2005 management review report. This issue was elevated to a minor CAR because it has not been substantively addressed.	

<b>Background/Justification:</b> While non-timber product utilization is not a widespread activity on
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the Michigan state forests, some products are nevertheless harvested/removed such as blueberries, fuel wood, and mushrooms. Such activities are covered by some form of permit issued by DNR but it is our sense that non-timber products do not receive as much attention in the DNR's planning documents as would be ideal	
<b>REC 2005.5</b>	DNR personnel should consider incorporating, more explicitly, non-timber product extraction in planning documents such as the eco-regional plans.
<b>Reference</b>	FSC Criterion 5.2
<b>Auditor Comments (October 2006):</b> There is a fairly new Use Permit process for all state land and this includes specifics on commercial use of state lands. A department workgroup led by Scott Whitcomb (Wildlife Division) put together the process and a report. Information on non-timber products will be incorporated in the eco-regional plans.	

<b>Background/Justification:</b> During field reconnaissance, the auditors observed that efforts to retain/recruit large woody debris in harvest units are variable across FMUs.	
<b>REC 2005.6</b>	DNR personnel should explore options for increasing efforts at large woody debris retention in harvest units
<b>Reference</b>	FSC Criterion 5.3
<b>Auditor Comments (October 2006):</b> The new retention guidelines note the importance of retaining large woody debris and we are informed by DNR that upcoming training will reinforce this.	

<b>Background/Justification:</b> An explicit effort to quantitatively assess "sustainability" (i.e., to quantitatively determine a maximum long term sustained yield level) has not been undertaken.	
<b>REC 2005.7</b>	It is recommended that DNR explore opportunities, perhaps as part of the eco-regional planning process, to complete a mid-spatial scale quantitative sustainability analysis of timber harvest levels. This analysis should use limiting factors and/or other considerations to quantitatively confirm whether harvest levels on the state forests are sustainable.
<b>Reference</b>	FSC Criterion 5.6
<b>Auditor Comments (October 2006):</b> As part of the eco-regional planning process, staff specialists developed expectations of future harvest levels based upon age class, limiting factors, and other considerations at the ecological subsection level (using Clelland's ecological classification system). In addition, staff specialists have reviewed and incorporated the most current FIA data into plans and analyses which indicate growth on Michigan's forests (including the State ownership) far exceeds the levels of current and proposed removals.	

<b>Background/Justification:</b> The effects of deer browse are not adequately understood.	
<b>REC 2005.8</b>	With respect to part (c) of CAR 2005.6, it is recommended that DNR consult with Drs. Michael Walters and Riqua Campa at Michigan State University who have recently completed research on the Michigan ungulate herbivory
<b>Reference</b>	FSC Criterion 6.3.b.1
<b>Auditor Comments (October 2006):</b> DNR informed the audit team that the herbivory group is working very closely with the PERM staff at MSU (Dr. Michael Walters and Dr. Riqua Campa) on both protocol and research results.	

<b>Background/Justification:</b> Compartment boundaries that are rectilinear in shape or do not coincide with natural stand boundaries result in unnecessary adverse ecological effects as compared to compartments that follow natural stand patterns.	
<b>REC 2005.9</b>	As part of the OI/compartment review, DNR should assess the configuration of compartment boundaries and, if appropriate, modify boundaries to avoid rectilinear patterns.
<b>Reference</b>	FSC Criterion 6.3.b
<b>Auditor Comments (October 2006):</b> Compartment boundaries can be changed if desired; however, they are currently designed to cover the landscape and follow the general pattern of linear ownership. The linearity of the compartments eases administration and assessment of temporal trends; improved GIS capabilities will enable greater consideration of the desirability of following “natural stand patterns.”	

<b>Background/Justification:</b> Two sites sampled during field audit illustrated excessive disruption of soil and regeneration by processing equipment in northern hardwood stands. In both cases, harvesting equipment moved extensively throughout the stand, instead of following a minimal network of cutting lanes. More awareness of potential for soil compaction with such practices would be appropriate.	
<b>REC 2005.10</b>	DNR foresters should engage in a structured discussion of the potential detrimental effects of soil compaction, root damage, and harm to under-story plants than can result from harvesting equipment. The comparative environmental implications of dispersed skidding versus skidding on defined trails should be examined.
<b>Reference</b>	<i>FSC Criterion/Indicator 6.3.c.2</i>
<b>Auditor Comments (October 2006):</b> DNR informed the auditors that while there has not been a structured discussion of these matters, they have been addressed in developing rutting specs and updating the BMP Manual and in field trips with industry.	

<b>Background/Justification:</b> Data on conversion of state forestland to non-forest cover and uses is not compiled and, as such, has not been made available to the auditors.	
<b>REC 2005.11</b>	As part of the IFMAP/OI process, data on forest conversions to non-forest cover and uses should be collected and compiled.
<b>Reference</b>	FSC Criterion 6.10
<b>Auditor Comments (October 2006):</b> Both OI and IFMAP provide the capabilities to track this; however, it is well known that little forest land is being converted to non-forest cover. The few exceptions include developing some oak savannahs and pine barrens, modest development of non-forest wildlife habitat, some minerals and some recreation development	

### New Recommendations Issued On September 15, 2006:

<b>Observation:</b>	
<b>REC 2006.1</b>	DNR should consider developing and posting a written rationale for why the “named” forest plans are not going to be maintained and how forest-level planning is being superseded by other planning mechanisms.
<b>Deadline</b>	Recommendation, no deadline stipulated
<b>Reference</b>	<i>FSC Principle 7, Criteria 1-4</i>
<b>Auditor Comments (October 2006):</b> The SCS auditor was unable to pursue this	

recommendation during the 2006 annual surveillance audit. It is hoped that DNR will be able to act upon this recommendation during the coming months.
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<b>Observation:</b>	
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<b>REC 2006.2</b>	DNR should consider better publicizing the HCVF recommendation process; a document describing the nomination process is on the DNR web site but it is difficult to find.
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<b>Deadline</b>	Recommendation, no deadline stipulated
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<b>Reference</b>	<i>FSC Principle 9</i>
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<b>Auditor Comments (October 2006):</b> At the time of the audit in late October, DNR had not acted upon this recommendation. However, DNR personnel helped the auditors navigate through the Department's web site and we found the access to the application form is only 3 "clicks" from the home page, workable if not ideal.
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## 2.5 General Observations

The overall impression formed by the audit team as a result of this surveillance audit is that Michigan DNR continues to be very earnestly and strongly committed to meeting its obligations as a FSC-certified forestland manager. Notably, DNR has now undergone three very substantive and demanding audits within a 12-month time period and in each instance has demonstrated strong improvement in the overall level of conformance to the Lake States Regional Standard. Most importantly, DNR has demonstrated solid efforts at closing out each of the corrective action requests (CARs) that were stipulated at the time of award of certification. The corrective actions reviewed during this October 2006 surveillance audit follow upon the actions that were reviewed during the March 2006 special surveillance audit and that were reviewed mid-year via document review and teleconference. The audit team wishes to acknowledge the pivotal role that Dennis Nezich has played in focusing and maintaining Departmental attention/resources on addressing the CARs in a systematic manner. This focused effort has generated the tangible result of all 13 of the CARs issued at the time of award of certification are now closed as of the completion of the October surveillance audit. The audit team considers this to be truly commendable performance.

We wish also to memorialize in this report the fact that the FSC conducted an accreditation (shadow/witness) audit of SCS as part of our surveillance audit of Michigan DNR. The FSC auditors had two basic foci to their audit:

- Has SCS followed appropriate FSC-mandated protocols in its execution of auditing activities leading up to and following award of certification to Michigan DNR?
- Does the evidence gather as part of the accreditation audit support/corroborate SCS' finding that Michigan DNR is in sufficient overall conformance with the Lake States Regional Standard to have warranted award of certification?

The first question is principally a matter between SCS and FSC, though DNR clearly has a vested interest in FSC's findings. The second question is, obviously, of keen and direct interest



to DNR as without FSC's concurrence the validity of DNR's certification would be in grave jeopardy. On the basis of the exit interview comments presented to both SCS and DNR representatives by the FSC auditors on October 27<sup>th</sup>, we are pleased to note in this report that FSC fully endorses the award of certification to the DNR for its management of the Michigan State Forests. FSC has informed us that, on the basis of their in-depth surveillance of our auditing of DNR, they are issuing no corrective action requests to SCS. This can rightly be construed as a clear endorsement of both SCS, in its role as an FSC-accredited certification body, and DNR, in its role as manager of a FSC-certified forest estate.

But opportunities for continued improvement relative to the certification standard are always present, especially for the management of a multi-million acre public forest estate. Each audit provides the auditors with additional or more in-depth exposure to various aspects or geographic areas of the Michigan State Forests system and with that exposure arises the possibility of additional non-conformities and/or opportunities for improvement. In the following section of this report are listed 5 new corrective action requests that either follow-up recently closed CARs (from 2005) or that are in response to new non-conformities observed in October. These new CARs address the following subject areas:

- Development of better guidelines/policies for trail rutting
- Stakeholder consultation regarding HCVF
- Better documentation of site-specific environmental impact assessments
- Incorporation of specific, quantitative direction/guidance in the eco-regional plans that will effectively inform decision making at the compartment level
- Enhancing and better facilitating stakeholder consultation and participatory opportunities.

In addition to these new CARs (all of which have compliance dates tied to the 2007 annual surveillance audit) are 2 new Recommendations issued mid-year. These 2 Recommendations augment the 11 Recommendations that were issued as part of the award of certification. A key component of the 2007 annual surveillance audit will be an assessment of the DNR's response to these 5 open CARs and 13 Recommendations.

## 2.6 New Corrective Action Requests and Recommendations

### New Corrective Action Requests Issued On October 27, 2006:

<b>Observation:</b> The current DNR rutting policy refers to maximum allowed depth of ruts but there is no reference to maximum allowed extent (length) of rutting. As such, the policy is open to widely varying interpretation in the field.	
<b>CAR 2006.1</b>	Develop and implement a rutting policy that is sufficiently specific and enforceable so as to allow for consistent interpretation and implementation across all field units.
<b>Deadline</b>	Prior to the 2007 summer logging season.
<b>Reference</b>	<i>FSC Criterion/Indicator 6.3</i>

<b>Observation:</b> While DNR has put in place a mechanism for citizens to recommend areas for consideration as High Conservation Value Areas, stakeholder consultation/input mechanisms for
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other aspects of FSC's Principle 9 are not yet in place.	
<b>CAR 2006.2</b>	Develop and implement a public consultation mechanism for the full range of activities mandated by FSC Principle 9; i.e., development of regionally appropriate definitions of high conservation values pertinent to the Michigan State Forests, development of management prescriptions intended to maintain identified high conservation values, and monitoring of the efficacy of these prescriptions.
<b>Deadline</b>	By the time of the 2007 annual surveillance audit.
<b>Reference</b>	<i>FSC Criterion 9.2</i>
<p><b>Observation:</b> While the audit team concludes that DNR does engage in environmental analyses/assessments prior to site-disturbing activities, there is presently very little documentation of the analyses that do take place; and the documentation available to the public is particularly weak. This leads some stakeholders to conclude/assert that, in fact, DNR does not engage in environmental analysis as required by FSC Criterion 6.1.</p>	
<b>CAR 2006.3</b>	Develop and implement procedures and templates for better, more cohesively documenting the environmental analyses/assessments, including the elaboration of expected outcomes, that are conducted prior to and in support of site disturbing activities.
<b>Deadline</b>	By the time of the 2007 annual surveillance audit.
<b>Reference</b>	<i>FSC Criterion 6.1</i>

<p><b>Observation:</b> The audit team observes that there is considerable uncertainty as to the expected level of quantitative direction that should be incorporated into the eco-regional plans. Members of the eco-regional planning teams, when asked, express an expectation that the plans should/will contain direction of sufficient detail so as to provide clear guidance to the Compartment Review/OI process, yet the current draft of the East UP Plan now lacks such detail. Without this detail, the audit team does not believe that the eco-regional plans will provide the critical link between statewide biodiversity/multi-resource goals/objectives and FMU (field-level) resource management decisions.</p>	
<b>CAR 2006.4</b>	Through the issuance of additional written advice to the three eco-regional planning teams, assure that the eco-regional plans incorporate specific, quantitative direction/guidance that will effectively inform decision making at the compartment level. This direction must include measurable and geographically-specific targets that will enable/assure that FMU- and compartment-level actions are compatible with the attainment of the DNR's multi-resource and biodiversity goals and objectives.
<b>Deadline</b>	March 1, 2007
<b>Reference</b>	<i>FSC Criterion/Indicator 7.1.a.1</i>

<p><b>Observation:</b> Stakeholder input received through the audit team's consultative outreach reveals a generally held view that DNR is not very adept at soliciting and then substantively considering stakeholder input. Additionally, the audit team notes that the Open Houses are generally not an effective mechanism for assuring robust public involvement.</p>	
<b>CAR 2006.5</b>	Develop a strategy for comprehensively reviewing DNR's stakeholder input/participation mechanisms in order to identify and implement opportunities for improving overall stakeholder satisfaction with DNR's efforts at transparency and consultative decision making.
<b>Deadline</b>	By the time of the 2007 annual surveillance audit.

<b>Reference</b>	<i>FSC Criterion/Indicator 4.4.e</i>
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## 2.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that Michigan DNR's management of State of Michigan Forest Properties continues to be in strong overall compliance with the FSC Principles and Criteria, as now further elaborated by the Lake States-Central Hardwoods Region Standards v3.0. That is, and while there remains aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that Michigan DNR's forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as DNR's operations are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is warranted, subject to ongoing progress in closing out the open CARs and subject to subsequent annual audits.

## 3.0 DETAILED OBSERVATIONS

This section is divided into two parts: Section 3.1 details the determining of conformance and non-conformance with the elements of the standard examined during this audit. Section 3.2 discusses any stakeholder comments.

### 3.1 Evaluation of Conformance

In addition to the subject areas addressed in the open CARs and Recommendations, the auditors chose to focus on Principles 4, 7, and 9 during this surveillance audit. The table below includes the associated excerpts from the Lake States Regional Standard and the audit team's findings as a result of this surveillance audit.

REQUIREMENT	NC	COMMENT/CAR
<b>P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</b>		
<b>C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</b>	C	With respect to contracting, MDNR employs a competitive bidding system that does not discriminate against non-local bidders. Based upon interviews with a wide variety of employees, we conclude that DNR employment still represents a quality employment opportunity with a level of job security simply no longer associated with employment in the private sector. DNR and its workforce is a very positive component of the rural communities and economies surrounding the state forests;

		there is an exemplary level of integration into local communities.
<b>C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</b>	C	Employees are covered by inclusive benefits package that includes health insurance for workers and their families. On the job safety of employees is primary concern of managers.
<b>C4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).</b>	C	Michigan is a strong union state and non-supervisory DNR employees are unionized. Standard contract language includes a requirement of compliance with all applicable laws of Michigan, including the right to organize
<b>C4.4. Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.</b>	C	Open houses and compartment reviews are clearly responsive to this indicator.  Eco-regional planning includes several iterations of stakeholder consultation, each stage widely noticed well in advance.  DNR web site includes easily accessible information such as the schedules of open houses held at each FMU.  Michigan has an Administrative Procedures Act that affords a formal appeal mechanism available to any stakeholder challenging a decision rendered by the DNR.
<b>C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.</b>	C	DNR personnel manifest a commitment to open dialogue, discussion and negotiation as a means of avoiding intractable stakeholder problems. DNR personnel, for instance, have invested considerable time in interacting with key/active members of the environmental community—both in office meetings and in the field.
<b>P7 A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.</b>		
<b>C7.1. The management plan and supporting documents shall provide: a) Management objectives. b) description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands. c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories. d) Rationale for rate of annual harvest and species selection. e) Provisions for monitoring of forest growth and dynamics. f) Environmental safeguards based on environmental assessments. g) Plans for the identification and protection of rare, threatened and endangered species. h) Maps describing the forest resource base including protected areas, planned management activities and land ownership. i) Description and justification of harvesting techniques and equipment to be used.</b>	C	
<b>7.1.a. Management objectives</b>	NC	Planning processes exist at multiple spatial and temporal scales with the most developed being the State-Wide Forest

		<p>Management. Eco-regional plans are proceeding and draft versions are nearly complete, yet do not completely address quantitative goals. CAR 2006.4 issued</p> <p>The recently completed <i>Operational Management Guidance for State-Owned Forest Lands</i> provides a single-source document containing overall vision and mission statements as well as broad-scale management guidance.</p>
<b>7.1.b. Description of forest resources to be managed, environmental limitations, land use and ownership status, socioeconomic conditions, and profile of adjacent lands</b>	C	DNR, on its web site and in other publicly available documents, has generated an extensive body of documents that describe the timber, fish and wildlife, soils, recreational resources, aquatic and riparian resources, and non-economic forest resources such as biodiversity.
<b>7.1.c. Description of silvicultural and/or other management system</b>	C	<p>Both even and uneven-aged silvicultural systems are employed on the state forests with uneven-aged prescriptions being most prevalent on all forest types other than aspen and red pine planted stands. Silvicultural prescriptions result from an explicit consideration of pre-harvest stand conditions and desired future conditions.</p> <p>Quite clearly, silvicultural prescriptions employed on the state forests represent an integration of ecological, economic and social considerations; DNR is not engaged in maximum or optimum timber production at the expense of non-timber considerations.</p>
<b>7.1.d. Rationale for the rate of annual harvest and species selection</b>	C	<p>Detailed and sophisticated timber harvest planning is undertaken for the state forests.</p> <p>The 10-year cycle for year-of-entry management of the state forest "matrix lands" constitutes a robust and time tested type of "area control."</p> <p>Production targets are attainable.</p> <p>The OI process as well as periodic statewide forest inventories produce quantitative data on growth and yield, stocking and adequacy of regeneration.</p>
<b>7.1.e. Provisions for monitoring forest growth and dynamics.</b>	C	<p>There is a wide array of planning documents that incorporate various types of monitoring of forest conditions.</p> <p>Chapter 5 of <i>Operational Management Guidance for State-Owned Forest Lands</i> provides a concise discussion of monitoring processes applied to the state forests</p>
<b>7.1.f. Environmental safeguards based on environmental assessments (see also Criterion 6.1).</b>	C	There are extensive environmental safeguards that are incorporated into the DNR management system, such as the statewide BMPs that DNR treats as mandatory guidance.
<b>7.1.g. Plans for the identification and protection of rare, threatened, and endangered species. (see also Criterion 6.3)</b>	C	DNR has devoted a very considerable level of effort to planning for the management of RTE species and their habitats.
<b>7.1.h. Maps describing the forest resource base including protected areas, planned management activities, and land ownership.</b>	C	MDNR has sophisticated map making and GIS capabilities; there are numerous maps available to field managers; key resources are adequately mapped.

		The public has access to an extensive array of maps at multiple scales and capturing a multiplicity of data layers.
<b>7.1.i. Description and justification of harvesting techniques and equipment to be used. (see also Criterion 6.5)</b>	C	We are not aware of any DNR planning document that discusses harvesting machinery and techniques; however, our field reconnaissance work indicates that, in fact, harvesting machinery is well matched to forest conditions and that ancillary resource damage (e.g., rutting/compaction, residual stand damage) is within acceptable levels.
<b>C7.2. The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</b>	C	Documents presenting the protocols and periodicity of revisions of the body of state forestlands has been prepared and posted on the DNR web site.
<b>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</b>	C	DNR employees are encouraged to maintain their professional skills through internal and external training opportunities.  Virtually all DNR employees hold at least a 2-year AA degree and most hold professional degrees; many hold advanced degrees. Clearly, DNR staff capabilities rise to the level of professional/scientific forest management.
<b>C7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.</b>	C	Extensive information and data is available on the department web site
<b>P9 Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</b>		
<b>C9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.</b>	C	A coordinated process of designating HCVF is underway, although substantial acreages of state forest lands have been protected in the past (1) by designation as a Natural Area; (2) as habitat for an endangered species, e.g., Kirtland's warbler; (3) as potential old growth; (5) as a watershed area supporting a Natural River; or (5) to protect a unique natural community.  A recent contract with MNFI has initiated surveys to locate and assess representative natural communities.  Areas that have been identified in one of the categories listed above are clearly designated on maps and recorded in GIS format
<b>C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</b>	NC	While DNR has put in place a mechanism for citizens to recommend areas for consideration as High Conservation Value Areas, stakeholder consultation/input mechanisms for other aspects of FSC's Principle 9 are not yet in place. CAR 2006.2 issued
<b>C9.3. The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent</b>	C	Where management plans exist for HCVFs (Natural Rivers, Kirtland's warbler), adequate information about management is presented

<b>with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</b>		Some Natural Areas are managed in cooperation with other agencies; and several conservation projects have been conducted in cooperation with The Nature Conservancy and other land conservancies.
<b>C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</b>	C	A nomination process has been developed, documented and made publicly available. DNR has submitted to SCS a document describing the means by which DNR coordinates with other public agencies with respect to management of HCVF DNR has submitted to SCS a document describing HCVF monitoring procedures.

### 3.2 Stakeholder Comment

As part of the 2006 annual audit process, stakeholders were contacted and provided the following comments:

<b>Comments/Concerns</b>	<b>SCS Response</b>
DNR did not provide adequate public input before the State Forest Plan was drafted	See CAR 2005.10 and REC 2005.4 related to improved public participation.
There is a concern that the State Forest Plan relies on Ecological Reserve Areas that are not yet in place.	See CAR 2005.8 related to identifying and designating new Natural Areas.
A concern was expressed that too many decisions are being made in Lansing	Comment noted.
DNR is open about taking public input and has changed operations after receiving specific input	Comment noted.
Some DNR employees lack complex management skills	CARs 2005.2, 2005.4, 2005.5, and 2005.6 each relate to employee training.
DNR does not have good growth data and, as such, does not have a robust annual allowable harvest determination process	See REC 2005.7
DNR's safety initiatives focus too much on personnel and not enough on machinery	New Work Instructions (7.2) cover safety in the work place.
The deer population is too high and DNR is not doing enough to control the population	See REC 2005.8
A concern was expressed that wildlife management division runs the forestry program	Comment noted.
A concern was expressed that tourism would be negatively affected if ATV use were to be restricted by certification efforts.	The FSC certification standards do not prohibit ATV use on certified forests, but such use must be adequately managed so as to minimize adverse impacts. See CAR 2005.10 and REC 2005.4
Aspen management by DNR appears to be plantation style management	Aspen stands are managed on relatively long rotations for this short lived species. Mature stands contain nearly all natural characteristics associated

	with aspen ecosystems. There is a good distribution of aspen age classes across the state forest system. Multiple auditors have confirmed these findings.
State Biodiversity Committee has not been meeting	The Committee has been meeting regularly this year. See CAR 2005.8 for further discussion.
Public input is not adequate	See CAR 2005.10 and REC 2005.4 related to improved public participation.
Michigan DNR does not do formal environmental impact assessments.	DNR has various and overlapping procedures that ensure potential environmental impacts are assessed. See CAR 2005.5 for requested improvements to this process.

### 3.3 Controversial Issues

This surveillance audit, the second since award of certification at the beginning of 2006, did not result in the identification of any new issues that could be considered controversial. As was identified in both of the prior two audits, there are some subject areas that are of keen interest amongst the array of stakeholders who are actively involved in deliberations over the management of the Michigan state forest system, e.g.:

- Allowable timber harvest levels
- OHV/ATV access policies and opportunities
- Aspen management
- Eco-regional planning.

We also note that Sierra Club-Michigan has made contact with SCS over the course of 2006, beginning in February, expressing its opposition to the award of certification. SCS' lead auditor on the Michigan evaluation has had several exchanges with Sierra Club-Michigan representatives to discuss their concerns and to invite specific comments. A conference call was also held that involved senior employees of the DNR. Because of this dialogue and Sierra-Club-Michigan's opposition to the award of certification, SCS suggested to FSC's accrediting body, Accreditation Services International (ASI), that the Michigan DNR's certificate be the subject of an accreditation audit. ASI accepted this offer and they deployed a two-person audit team to conduct a shadow audit of SCS's audit of DNR in October (the audit that this the subject of this report). But ASI's audit was more than a typical shadow audit in that the FSC/ASI auditors engaged in extensive direct dialogue with the two principal Sierra Club activists opposing DNR's certification. This direct dialogue, to which SCS was not a part, included a three-hour face-to-face meeting the Sierra Club activists in Marquette, MI on October 25<sup>th</sup>.

ASI's findings as to the competency of SCS's initial certification evaluation and the October surveillance audit will be memorialized in a report yet to be submitted to SCS (a public summary of the ASI report will be issued by FSC as part of an annual summary of accreditation audit reports). However, we were informed as part of the exit interview of ASI's shadow audit that no



corrective action requests were being issued and that the ASI auditors found DNR's management program to be in sufficient overall conformance with the Lake States Regional Standard to warrant SCS' award of certification.

### **3.4 Changes in Certificate Scope**

There were no changes in the scope of this certificate as part of this annual surveillance audit.